



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
HARBORS DIVISION  
79 SO. NIMITZ HWY., HONOLULU, HAWAII 96813-4898

RODNEY K. HARAGA  
DIRECTOR

Deputy Director  
BRUCE Y. MATSUI  
BARRY FUKUNAGA  
BRENNON T. MORIOKA  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

ISSUANCE OF A RIGHT-OF-ENTRY TO THE GAS COMPANY, LLC,  
FOR ENVIRONMENTAL STUDIES AND RELATED WORK  
ADJACENT TO PIER 38, KAPALAMA, HONOLULU HARBOR,  
OAHU

**LEGAL**

**REFERENCE:** Sections 171-11 and 13, Hawaii Revised Statutes

**APPLICANT:** The Gas Company, LLC

**PURPOSE:** To Conduct an Initial Environmental Site Assessment, Surveying the Land,  
and Installation of a Fence on the Property.

**EFFECTIVE**

**TERM:** Commencement date is to be determined by the Director of Transportation  
and the right-of-entry will terminate upon the issuance of a lease to The  
Gas Company, LLC.

**LOCATION:** The former Mamala Bay site, adjacent to Pier 38, Kapalama, Honolulu  
Harbor, Oahu, as shown on Exhibit "A."

**CURRENT USE  
STATUS:**

Encumbered by Governor's Executive Orders No. 1346 issued to the  
Harbors Division, Department of Transportation.

**AREA:** Approximately 40,000 square feet, more or less. The exact area will be  
determined by a surveyor hired by The Gas Company, LLC.

**ZONING:** State Land Use Commission: Urban  
City and County of Honolulu: I-3 (Waterfront Industrial)

**LAND TITLE STATUS:** Section 5(a) land of the Hawaii Admission Act, non-ceded.

**CHAPTER 343 ENVIRONMENTAL**

**ASSESSMENT:** Disposition is exempted from OEQC requirements pursuant to Sub-Chapter 11-200-8 (Item 1) of the Hawaii Administrative Rules that exempts "operation, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.


**REMARKS:** The applicant is requesting a lease from the Harbors Division for this area for the purpose of storage and distribution of liquid petroleum gas and related activities. The applicant's contractors will be performing an initial environmental site assessment on the subject area, together with performing a legal description of the lot together with the area encumbered by Revocable Permit No. H-04-2465 (issued to the applicant), which will be encumbered by a lease to be issued by the Harbors Division to the applicant. As the applicant would like to protect the area under study from further pollution from outside sources, the Harbors Division has no objections to the applicant fencing the outside perimeter of the lot. Additionally, an appraisal will be performed during the right-of-entry period to determine the lease rental for the subject area together with the area encumbered by the applicant's current revocable permit. The Harbors Division will request authorization from the Land Board to issue a lease to the applicant upon receipt of the legal description of the lease lot, determination of the rental for the lot by independent appraisal, and determination of the findings of the initial work of the environmental site assessment.

**RECOMMENDATION:**

That the Board authorize the Harbors Division, Department of Transportation, to issue the applicant a right-of-entry for the above stated purposes, subject to the terms and conditions outlined above, applicable


terms and conditions of the standard right-of-entry, approved as to form by the Attorney General's Office, and such terms as may be prescribed by the Director of Transportation that best serve the interests of the State.

Respectfully submitted,

  
BARRY FUKUNAGA  
Deputy Director of Transportation

Attachment

APPROVED FOR SUBMITTAL:

  
for PETER T. YOUNG  
Chairperson and Member

208°01

Water Pipeline, Water Meter and  
Fire Hydrant Easement  
(CSF 20,028)

Access  
Permitted

SUBJECT AREA

Easement 3  
for Gas Pipeline

Easement 4  
for Gas Pipeline

STA 38A  
CUT  
ELEV=7.42

5 MPH - 5 MPH

STA 38  
MAIL W/SHINER  
ELEV=6.26

5226  
197°32'45" -  
(STA 38 TO STA BRIDGE)

EXHIBIT "A"





STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

RODNEY K. HARAGA  
DIRECTOR

Deputy Directors  
BRUCE Y. MATSUI  
BARRY FUKUNAGA  
BRENNON T. MORIOKA  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

MAUI AND HAWAII

AMENDMENT TO PRIOR BOARD ACTION OF DECEMBER 12, 2003, ITEM M-1  
U.S. FEDERAL AVIATION ADMINISTRATION  
HILO INTERNATIONAL AIRPORT  
KONA INTERNATIONAL AIRPORT AT KEAHOLE  
KAHULUI AIRPORT

On December 12, 2003, under agenda M-1, the Land Board authorized the Department of Transportation (DOT) to issue Construction Rights of Entry and Subsequent Leases to U.S. Federal Aviation Administration (FAA) for five (5) F-420 Centerfield Wind Towers at Hilo International Airport (1), Kahului Airport (1), and Kona International Airport at Keahole (3).

The FAA has requested additional space at Hilo International Airport to include Stand Alone Weather Sensors (SAWS) and an Automated Surface Observing System (ASOS) in addition to the F-420 Centerfield Wind Tower.

PURPOSE:

To increase the land area at Hilo International Airport to include additional weather instruments at the F-420 Centerfield Wind Tower site.

APPLICANT:

U.S. Federal Aviation Administration (FAA)

LEGAL REFERENCE:

Section 171-95, Hawaii Revised Statutes

LOCATION AND AREA:

Increase land area from approximately 7,854 square feet to 40,000 square feet at Hilo International Airport, as shown on Exhibits A and B.

Tax Map Key: 3<sup>rd</sup> Division - 2-1-12: Portion of 9.

Land area at Kahului Airport will remain at approximately 7,854 square feet.

Tax Map Key: 2<sup>nd</sup> Division - 3-8-01: Portion of 19

Land area at Kona International Airport will remain at approximately 7,854 square feet for each of the three sites for a total of 23,562 square feet.

Tax Map Key: 3<sup>rd</sup> Division - 7-3-43: Portion of 1.

ZONING:

Hilo	-	State Land Use District: Urban County of Hawaii: Industrial (ML-20)
Kahului	-	State Land Use District: Agriculture County of Maui: Airport
Kona	-	State Land Use District: Urban County of Hawaii CZO: Industrial (MG-1a)

LAND TITLE STATUS:

Hilo	-	Section 5(b), Hawaii Admissions Act (ceded) DHHL, 30% entitlement lands: No
Kahului	-	Section 5(a), Hawaii Admissions Act (non ceded) DHHL, 30% entitlement lands: No
Kona	-	Section 5(b), Hawaii Admissions Act (ceded) DHHL, 30% entitlement lands: No

CURRENT USE STATUS:

Aeronautical

CHARACTER OF USE:

Weather instruments

TERM OF LEASE:

Twenty years

RENTAL:

None

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

This project will have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment under the authority of Chapter 343, HRS, and Section 11-200, HAR. The declaration of exemption is based on exemption of Class #2 on the exemption list of the Department of Transportation dated May 22, 2001, that states:

“Replacement or reconstruction of existing structures and facilities where the new structure will be located generally on the same site, and will have substantially the same purpose, capacity, density, height and dimensions as the structure replaced.”

REMARKS:

The FAA is requesting to increase the land area for the weather instruments abandoned in place by the National Weather Service at Hilo International Airport. Although the National Weather Service abandoned the weather instruments, the instruments provide accurate, real-time observations with minute-by-minute updates around the clock that will greatly benefit the pilots and the FAA would like to continue to operate these instruments. The instruments require a clear area which should be kept free of obstructions that would affect the accuracy of the weather instrument readings. The DOT is obligated under the Grant Assurances to provide FAA with sites for navigational equipment and facilities at no cost. DOT in the public interest, has no objection to the additional land area at Hilo International Airport required to upgrade and maintain the existing equipment.

RECOMMENDATION:


That the Board approve the increase in land area required by the FAA at Hilo International Airport as outlined above, subject to: (1) such other terms and conditions as may be prescribed by the Director of Transportation to **best serve** the interests of the State; and (2) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,



RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:



PETER T. YOUNG  
Chairperson and Member







**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Conveyance of Highway Remnant Parcel R3, Kalanianaʻole Highway, Federal Aid Project No. F-072-1(39), Honolulu, Oahu, Tax Map Key: (1) 3-8-03:25

REQUEST:

Authorization to convey subject Property, designated as Remnant R3, Kalanianaʻole Highway, Federal Aid Project No. F-072-1(39), Honolulu, Oahu, Tax Map Key: (1) 3-8-03:25 as shown on Exhibit A to Ira Smith by quitclaim deed.

LEGAL REFERENCE:

Section 171-52 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

The Property is a remnant of Kalanianaʻole Highway, FAP No. F-072-1(39), East Halemaumau Street to Keahole Street, Honolulu, Oahu and is situated on the makai side of Kalanianaʻole Highway at the intersection of Kalanianaʻole Highway and Summer Street.

AREA:

Approximately 3,926 square feet, more or less (subject to confirmation by the Department of Transportation, Design Branch, Cadastral Section).

ZONING:

R-10

LAND TITLE STATUS:

Non-ceded, DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES \_\_\_\_\_ NO   X  

CURRENT USE STATUS:

Highway and maintenance purposes

COMMENCEMENT DATE:

Execution date of quitclaim deed.

COMPENSATION

One-time lump sum payment, based on appraisal of fair market value, to be determined by independent or staff appraiser.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Not applicable. Subject lands are to be conveyed to abutting landowner(s) and will become privately owned land at that point. Chapter 343, HRS, would not apply to any future development on the Property as no State lands would be involved.

REMARKS:


The Department of Transportation (DOT) has deemed the Property surplus to the needs of the Highways Division. The DOT has complied with all applicable statutory requirements and offered the Property to Ira Smith, the sole abutter, who indicated an interest in purchasing the Property.

RECOMMENDATION:

That the Board authorize the conveyance of the Property to Ira Smith for his private use, subject to the following:

1. The standard terms and conditions of the most current deed form;
2. Review and approval by the Department of the Attorney General;
3. Such other terms and conditions as may be prescribed by the DOT Director to best serve the interests of the State;
4. The Property shall be conveyed in an “as is” condition and the State make no warranty or representation about its condition or the presence of hazardous materials on, under or about the same; and
5. Ira Smith must consolidate the Property into the parcel he owns that abuts the Property (11,550 square-foot site, tax map key (1) 3-8-3:24).

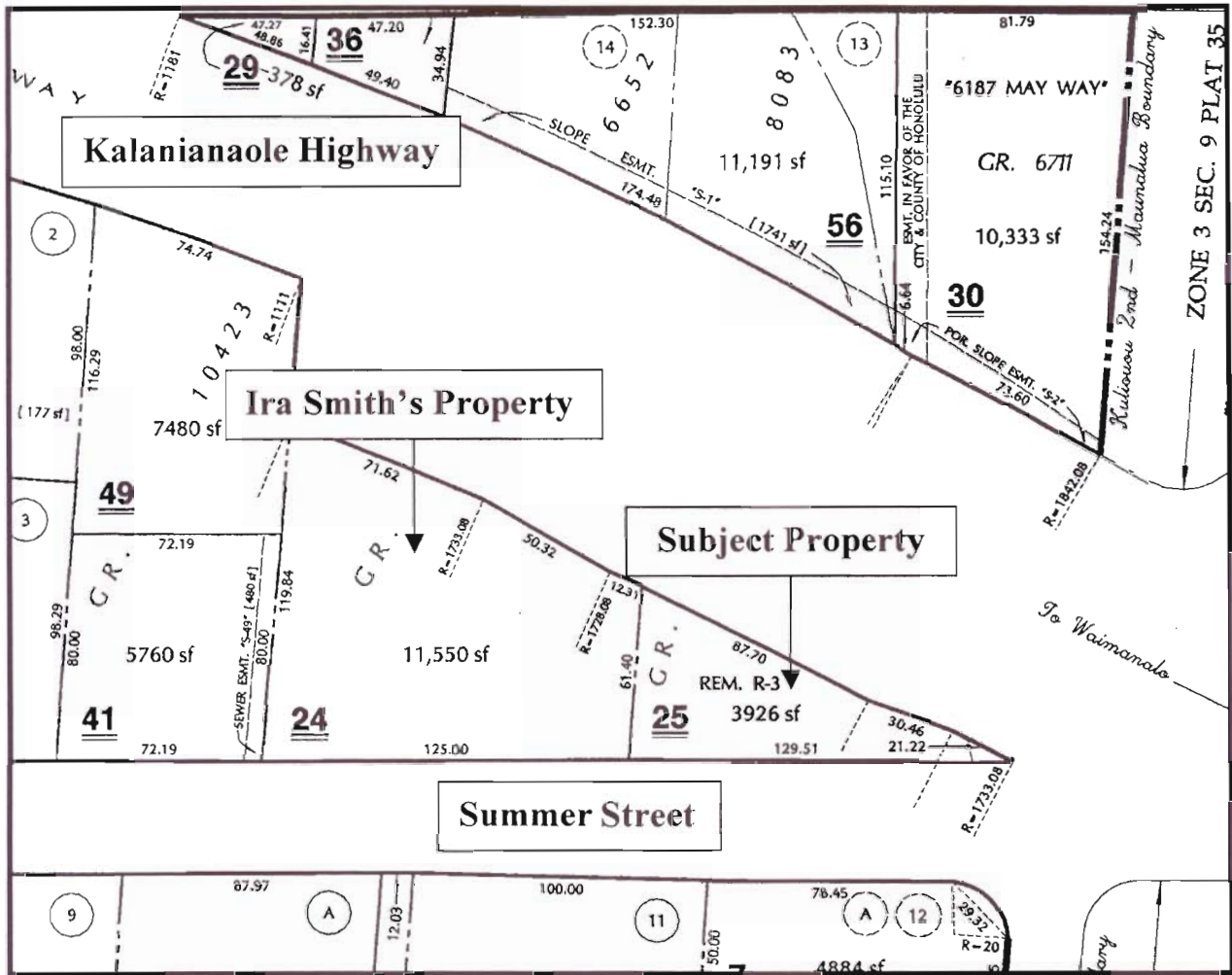
Respectfully Submitted,

  
\_\_\_\_\_  
RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
PETER T. YOUNG, Chairperson





TMK (1) 3-8-3:25

EXHIBIT A



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Conveyance of Remnant Parcel R4, Kalanianaʻole Highway, Federal Aid Project No. F-072-1(39), Honolulu, Oahu, Tax Map Key: (1) 3-8-03:49

REQUEST:

Authorization to convey subject Property, designated as Remnant R4, Kalanianaʻole Highway, Federal Aid Project No. F-072-1(39), Honolulu, Oahu, Tax Map Key: (1) 3-8-03:49 as shown on Exhibit A to Michael Wells by quitclaim deed.

LEGAL REFERENCE:

Section 171-52 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

The Property is a remnant of Kalanianaʻole Highway, FAP No. F-072-1(39), East Halemaumau Street to Keahole Street, Honolulu, Oahu and is situated on the makai side of Kalanianaʻole Highway between Bay Street and Maunalua Avenue.

AREA:

Approximately 3,816 square feet, more or less, as correctly delineated in the Department of Transportation Highways Division Right-of-Way map (as opposed to the 7,480 square-foot area incorrectly depicted in the City and County of Honolulu tax map) as shown on Exhibit B (subject to confirmation by the Department of Transportation, Design Branch, Cadastral Section).

ZONING:

R-10

LAND TITLE STATUS:

Non-ceded, DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES \_\_\_\_\_ NO   X  

CURRENT USE STATUS:

Highway and maintenance purposes

COMMENCEMENT DATE:

Execution date of quitclaim deed.

COMPENSATION

One-time lump sum payment, based on appraisal of fair market value, to be determined by independent or staff appraiser.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Not applicable. Subject lands are to be conveyed to abutting landowner(s) and will become privately owned land at that point. Chapter 343, HRS, would not apply to any future development on the Property as no State lands would be involved.

REMARKS:


The Department of Transportation (DOT) has deemed the Property surplus to the needs of the Highways Division. The DOT has complied with all applicable statutory requirements and offered the Property to all abutting owners, of which only Michael Wells indicated an interest in purchasing the Property.

RECOMMENDATION:

That the Board authorize the conveyance of the Property to Michael Wells for his private use, subject to the following:

1. The standard terms and conditions of the most current deed form;
2. Review and approval by the Department of the Attorney General;
3. Such other terms and conditions as may be prescribed by the DOT Director to best serve the interests of the State;
4. The Property shall be conveyed in an “as is” condition and the State make no warranty or representation about its condition or the presence of hazardous materials on, under or about the same; and
5. Michael Wells must consolidate the Property into the parcel he owns that abuts the Property (5,760 square-foot site, tax map key (1) 3-8-3:41).

Respectfully Submitted,

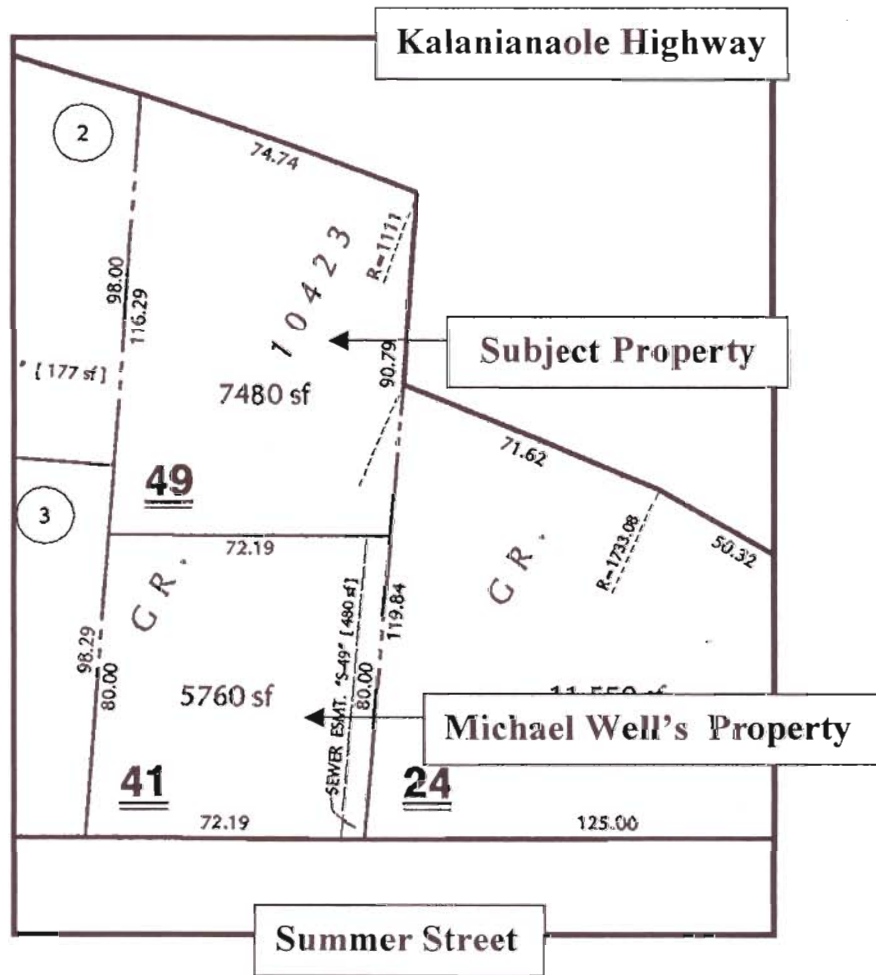
  
\_\_\_\_\_  
RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:



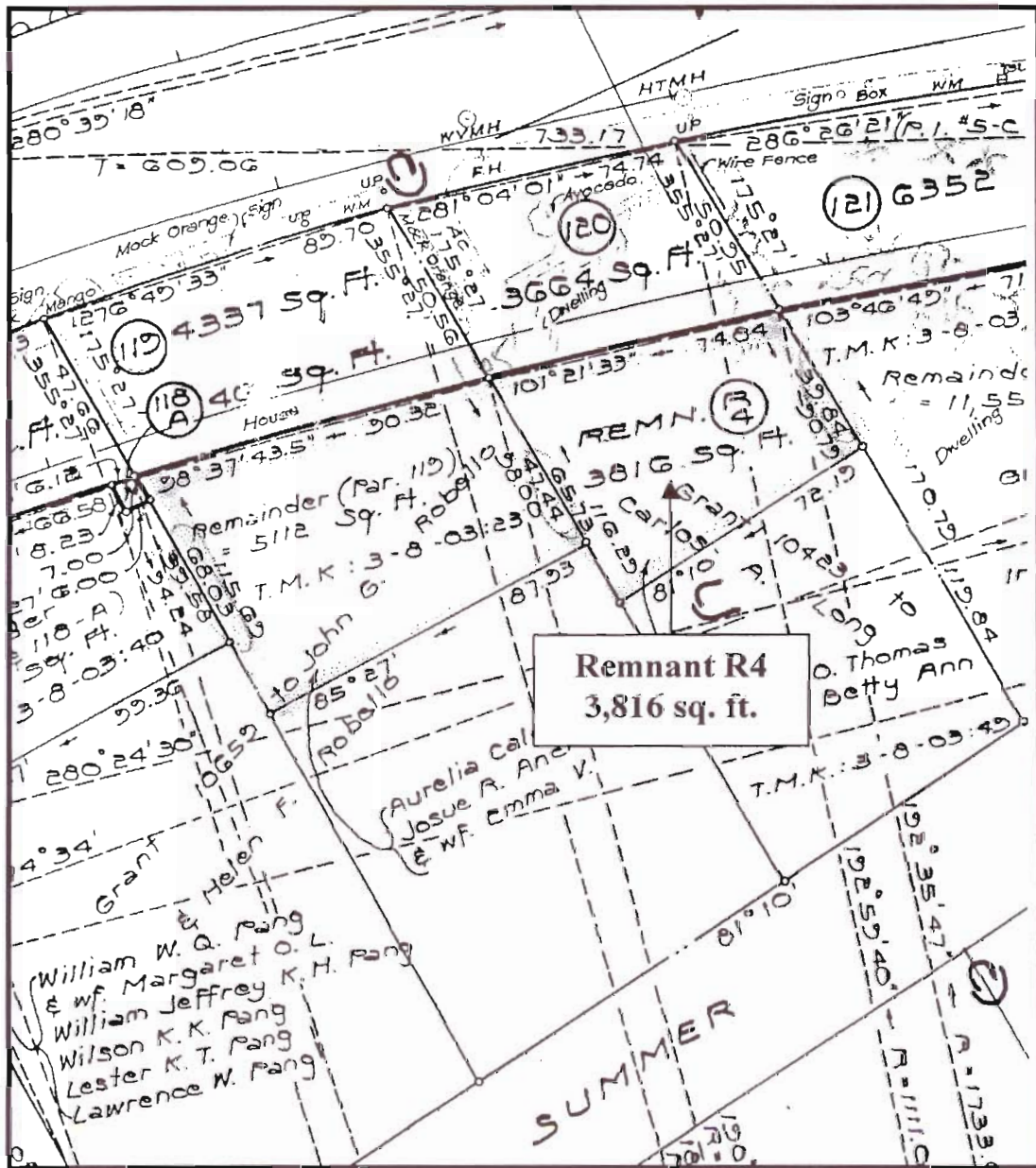
\_\_\_\_\_  
PETER T. YOUNG, Chairperson





TMK (1) 3-8-3:49

## EXHIBIT A



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
HIGHWAYS DIVISION

**RIGHT OF WAY MAP**  
**KALANIANA'OLE HIGHWAY**  
FEDERAL AID PROJECT No. F-072-1(39)  
EAST HALEMAUMAU STREET TO KEAHOLE STREET  
AT KULIOLU 2<sup>ND</sup> & MAUNALUA  
HONOLULU, OAHU, HAWAII

HONOLULU, HAWAII  
June 18, 1990

APPROVED: *James D. Con*  
ACTING CADASTRAL ENGINEER

APPROVED: *Z. Hana*  
CHIEF, HIGHWAYS DIVISION

SHEET NO. 6 OF 8 SHEETS



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO:

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Conveyance of Remainder Parcel 119, Kalanianaʻole Highway, Federal Aid Project No. F-072-1(39), Honolulu, Oahu, Tax Map Key: (1) 3-8-03:23

REQUEST:

Authorization to convey subject Property, designated as Remainder 119, Kalanianaʻole Highway, Federal Aid Project No. F-072-1(39), Honolulu, Oahu, Tax Map Key: (1) 3-8-03:23 as shown on Exhibit A to Irene Kaiser by quitclaim deed.

LEGAL REFERENCE:

Section 171-52 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

The Property is a remnant of Kalanianaʻole Highway, FAP No. F-072-1(39), East Halemaumau Street to Keahole Street, Honolulu, Oahu and is situated on the makai side of Kalanianaʻole Highway at the intersection of Kalanianaʻole Highway and Summer Street.

AREA:

Approximately 5,112 square feet, as correctly delineated in the Department of Transportation Highways Division Right-of-Way map (as opposed to the 9,449 square-foot area depicted in the City and County of Honolulu tax map) as shown on Exhibit B (subject to confirmation by the Department of Transportation, Design Branch, Cadastral Section).

ZONING:

R-10

LAND TITLE STATUS:

Non-ceded, DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES \_\_\_\_\_ NO   X  

CURRENT USE STATUS:

Highway and maintenance purposes

COMMENCEMENT DATE:

Execution date of quitclaim deed.

COMPENSATION

One-time lump sum payment, based on appraisal of fair market value, to be determined by independent or staff appraiser.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Not applicable. Subject lands are to be conveyed to abutting landowner(s) and will become privately owned land at that point. Chapter 343, HRS, would not apply to any future development on the Property as no State lands would be involved.

REMARKS:

The Department of Transportation (DOT) has deemed the Property surplus to the needs of the Highways Division. The DOT has complied with all applicable statutory requirements and offered the Property to all abutting owners, of which only Irene Kaiser indicated an interest in purchasing the Property.




RECOMMENDATION:

That the Board authorize the conveyance of the Property to Irene Kaiser for her private use, subject to the following:

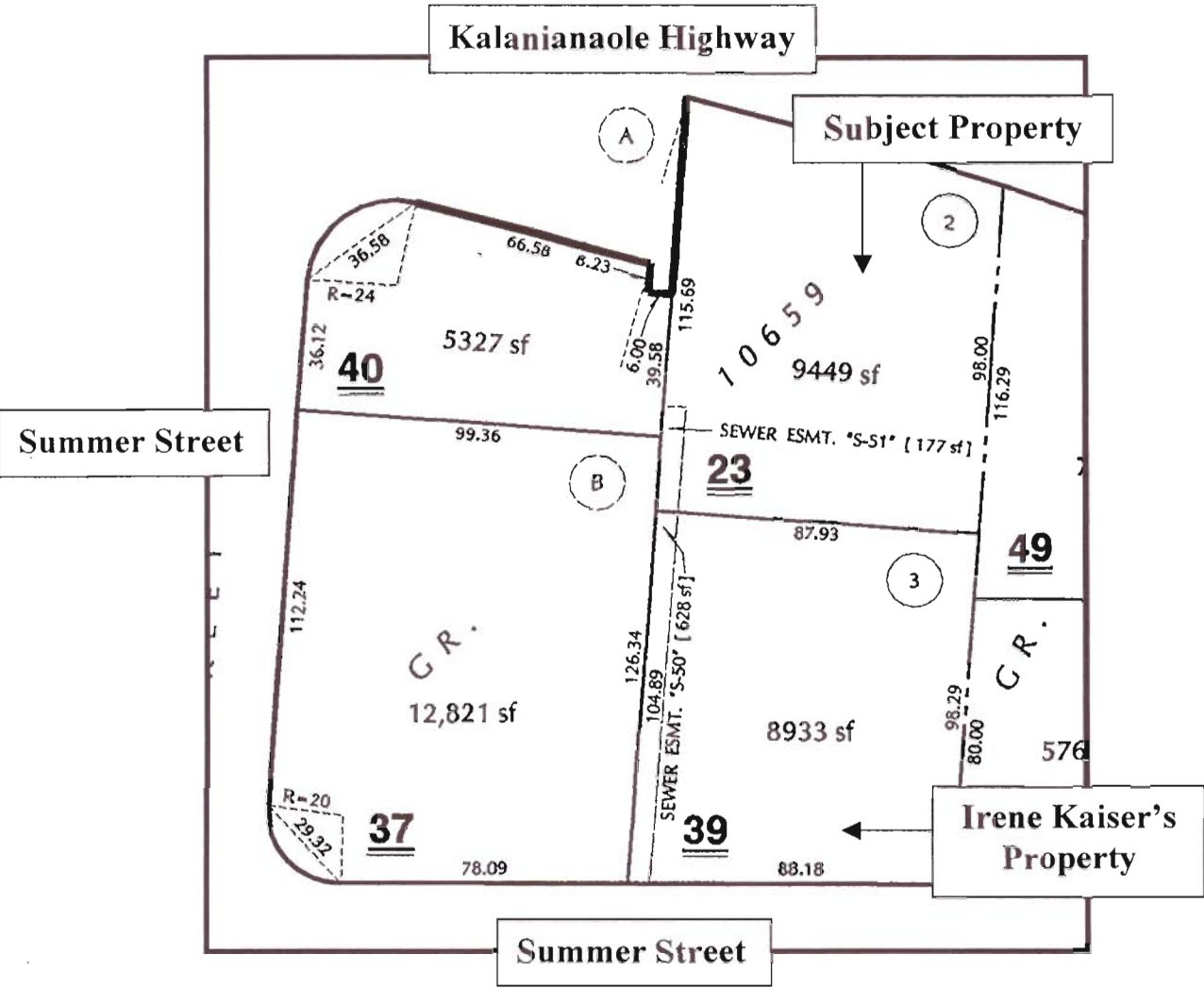
1. The standard terms and conditions of the most current deed form;
2. Review and approval by the Department of the Attorney General;
3. Such other terms and conditions as may be prescribed by the DOT Director to best serve the interests of the State;
4. The Property shall be conveyed in an “as is” condition and the State make no warranty or representation about its condition or the presence of hazardous materials on, under or about the same; and
5. Irene Kaiser must consolidate the Property into the parcel she owns that abuts the Property (11,550 square-foot site, tax map key (1) 3-8-3:34).

Respectfully Submitted,

  
\_\_\_\_\_  
RODNEY K. HARAGA  
Director of Transportation

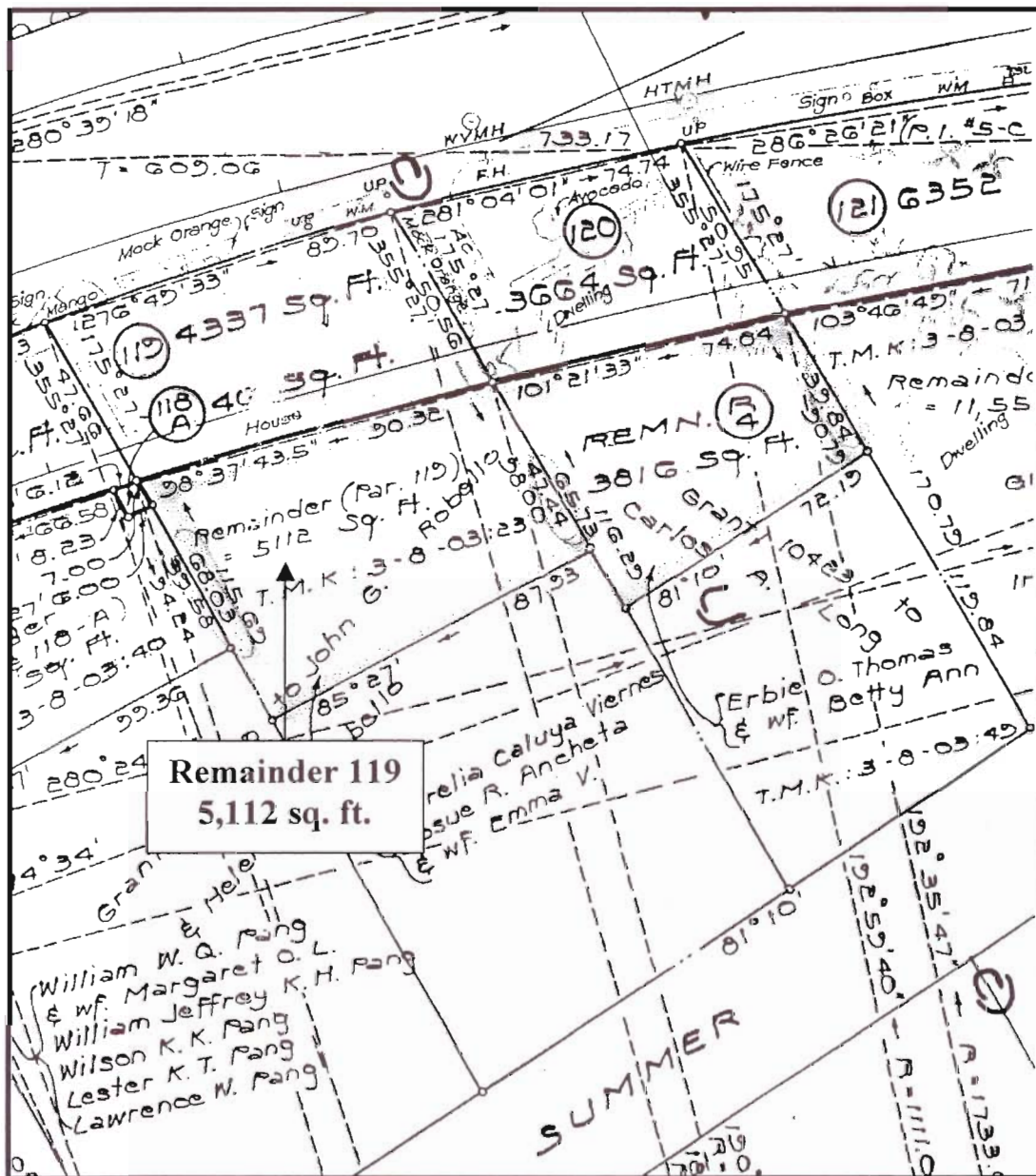
APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
PETER T. YOUNG, Chairperson



TMK (1) 3-8-3:23

EXHIBIT A



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
HIGHWAYS DIVISION

**RIGHT OF WAY MAP**  
**KALANIANA'OLE HIGHWAY**  
FEDERAL AID PROJECT No. F-012-1(35)  
EAST HALEMAUMAU STREET TO KEAHOE STREET  
AT KULIQUOU 275 E. MAUNALUA  
HONOLULU, OAHU, HAWAII

HONOLULU, HAWAII  
June 18, 1970

APPROVED: *James D. Con*  
ACTING CADASTRAL ENGINEER

APPROVED: *T. Hara no*  
CHIEF, HIGHWAYS DIVISION

SHEET NO. 6 OF 8 SHEETS



**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Conveyance of portion of Remnant Parcel 29-A, Lunalilo Freeway, FAP No. F-59(2), Honolulu, Oahu, Tax Map Key: (1) 2-8-09:30 (Portion).

REQUEST:

Authorization to convey subject Property, designated as Remnant Parcel 29-A, Lunalilo Freeway, FAP No. F-59(2), Honolulu, Oahu, Tax Map Key: (1) 2-8-09:30 (Portion) as shown on Exhibit A to Ryan Lee by quitclaim deed.

LEGAL REFERENCE:

Section 171-52 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

The Property is a remnant of Lunalilo Freeway, FAP No. F-59(2), Alexander Street to Isenberg Street, Honolulu, Oahu and is situated between Tax Map Key (1) 2-8-9:34 and the Lunalilo Freeway near the intersection of Metcalf Street and Dole Street.

AREA:

Approximately 2,344 square feet, more or less (subject to confirmation by the Department of Transportation, Design Branch, Cadastral Section).

ZONING:

R-5

LAND TITLE STATUS:

Non-ceded, DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES \_\_\_\_\_ NO   X  

CURRENT USE STATUS:

Highway and maintenance purposes

COMMENCEMENT DATE:

Execution date of quitclaim deed.

COMPENSATION

One-time lump sum payment, based on appraisal of fair market value, to be determined by independent or staff appraiser.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Not applicable. Subject lands are to be conveyed to abutting landowner(s) and will become privately owned land at that point. Chapter 343, HRS, would not apply to any future development on the Property as no State lands would be involved.

REMARKS:

The Department of Transportation (DOT) has deemed the Property surplus to the needs of the Highways Division. The DOT has complied with all applicable statutory requirements and offered the Property to all abutting owners, of which Ryan Lee indicated an interest in purchasing the Property.




RECOMMENDATION:

That the Board authorize the conveyance of the Property to Ryan Lee for his private use, subject to the following:

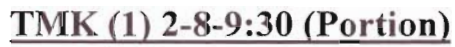
1. The standard terms and conditions of the most current deed form;
2. Review and approval by the Department of the Attorney General;
3. Such other terms and conditions as may be prescribed by the DOT Director to best serve the interests of the State;
4. The Property shall be conveyed in an “as is” condition and the State make no warranty or representation about its condition or the presence of hazardous materials on, under or about the same; and
5. Ira Smith must consolidate the Property into the parcel he owns that abuts the Property (7,580 square-foot site, tax map key (1) 2-8-09:24).

Respectfully Submitted,

  
\_\_\_\_\_  
RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
PETER T. YOUNG, Chairperson



## EXHIBIT A



**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

KAUAI

Conveyance of Remnant Parcel R-2A, Kauai Belt Road, Federal Aid Project No. F-056-1(2), at Papaa, Aliomanu and Anahola, Kauai, Tax Map Key: (4) 4-9-5:Road (Portion)

REQUEST:

Authorization to convey subject Property, designated as Remnant R-2A, Kauai Belt Road, Federal Aid Project No. F-056-1(2), at Papaa, Aliomanu and Anahola, Kauai, Tax Map Key: (4) 4-9-5:Road (Portion) as shown on Exhibit A to Jon Anderton by quitclaim deed.

LEGAL REFERENCE:

Section 171-52 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

The Property is an Old Government Road remnant of the old Kauai Belt Road, FAP No. F-056-1(2), at Papaa, Aliomanu and Anahola, Kauai and is situated North of Aliomanu Stream on the makai corner of Kuhio Highway and Aliomanu Road.

AREA:

Approximately 33,673 square feet, more or less (subject to confirmation by the Department of Transportation, Design Branch, Cadastral Section).

ZONING:

Agricultural

LAND TITLE STATUS:

Non-ceded, DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES \_\_\_\_ NO X

CURRENT USE STATUS:

Highway and maintenance purposes

COMMENCEMENT DATE:

Execution date of quitclaim deed.

COMPENSATION

One-time lump sum payment, based on appraisal of fair market value, to be determined by independent or staff appraiser.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Not applicable. Subject lands are to be conveyed to abutting landowner(s) and will become privately owned land at that point. Chapter 343, HRS, would not apply to any future development on the Property as no State lands would be involved.

REMARKS:


The Department of Transportation (DOT) has deemed the Property surplus to the needs of the Highways Division. The DOT has complied with all applicable statutory requirements and offered the Property to all abutting owners, of which only Jon Anderton indicated an interest in purchasing the Property.

RECOMMENDATION:

That the Board authorize the conveyance of the Property to Jon Anderton for his private use, subject to the following:

1. The standard terms and conditions of the most current deed form;
2. Review and approval by the Department of the Attorney General;
3. Such other terms and conditions as may be prescribed by the DOT Director to best serve the interests of the State;
4. The Property shall be conveyed in an “as is” condition and the State make no warranty or representation about its condition or the presence of hazardous materials on, under or about the same; and
5. Jon Anderton must consolidate the Property into the parcel he owns that abuts the Property (179,598 square-foot site, tax map key (4) 4-9-3:5).

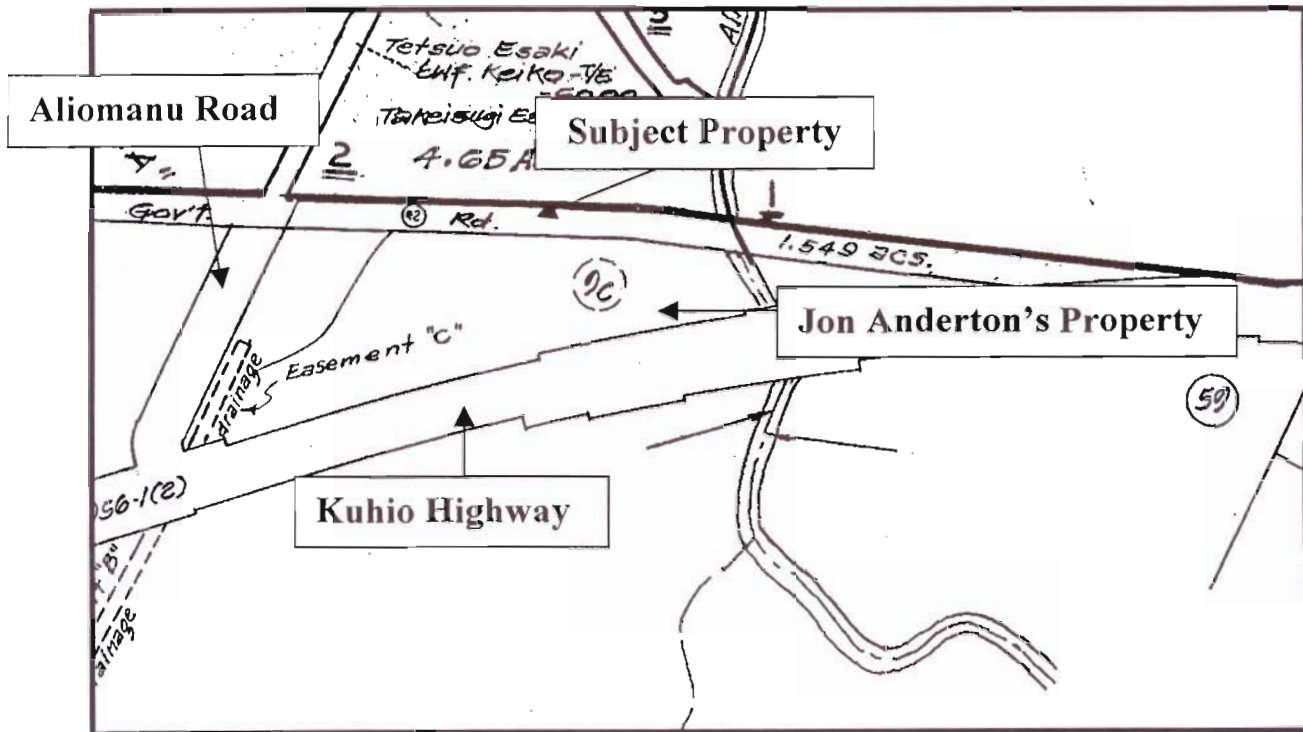
Respectfully Submitted,

  
\_\_\_\_\_  
RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
PETER T. YOUNG, Chairperson





TMK (4) 4-9-5:ROAD (PORTION)

EXHIBIT A



**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

RODNEY K. HARAGA  
DIRECTOR

Deputy Directors  
BRUCE Y. MATSUI  
BRENNON T. MORIOKA  
BARRY FUKUNAGA  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

KAUAI

Conveyance of Remnant Parcel R-2B, Kauai Belt Road, Federal Aid Project No. F-056-1(2), at Papaa, Aliomanu and Anahola, Kauai, Tax Map Key: (4) 4-9-5:Road (Portion)

REQUEST:

Authorization to convey subject Property, designated as Remnant R-2B, Kauai Belt Road, Federal Aid Project No. F-056-1(2), at Papaa, Aliomanu and Anahola, Kauai, Tax Map Key: (4) 4-9-5:Road (Portion) as shown on Exhibit A to Benjamin Bollag by quitclaim deed.

LEGAL REFERENCE:

Section 171-52 and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

The Property is a portion of an Old Government Road remnant of the old Kauai Belt Road, FAP No. F-056-1(2), at Papaa, Aliomanu and Anahola, Kauai and is situated South of Aliomanu Stream on the makai corner of Kuhio Highway and Aliomanu Road.

AREA:

Approximately 33,783 square feet, more or less (subject to confirmation by the Department of Transportation, Design Branch, Cadastral Section).

ZONING:

Agricultural

LAND TITLE STATUS:

Non-ceded, DHHL 30% entitlement lands pursuant to the Hawaii State Constitution:

YES \_\_\_\_ NO X

CURRENT USE STATUS:

Highway and maintenance purposes

COMMENCEMENT DATE:

Execution date of quitclaim deed.

COMPENSATION

One-time lump sum payment, based on appraisal of fair market value, to be determined by independent or staff appraiser.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Not applicable. Subject lands are to be conveyed to abutting landowner(s) and will become privately owned land at that point. Chapter 343, HRS, would not apply to any future development on the Property as no State lands would be involved.

REMARKS:

The Department of Transportation (DOT) has deemed the Property surplus to the needs of the Highways Division. The DOT has complied with all applicable statutory requirements and offered the Property to all abutting owners, of which only Benjamin Bollag indicated an interest in purchasing the Property. An easement is to be granted over the R-2A portion of the remnant road in favor of the Property to allow access to Aliomanu Road.

RECOMMENDATION:

That the Board authorize the conveyance of the Property to Benjamin Bollag for his private use, subject to the following:

1. The standard terms and conditions of the most current deed form;
2. Review and approval by the Department of the Attorney General;
3. Such other terms and conditions as may be prescribed by the DOT Director to best serve the interests of the State;
4. The Property shall be conveyed in an “as is” condition and the State make no warranty or representation about its condition or the presence of hazardous materials on, under or about the same; and
5. Benjamin Bollag must consolidate the Property into the parcel he owns that abuts the Property (22,128 square-foot site, tax map key (4) 4-4-2:17).

Respectfully Submitted,

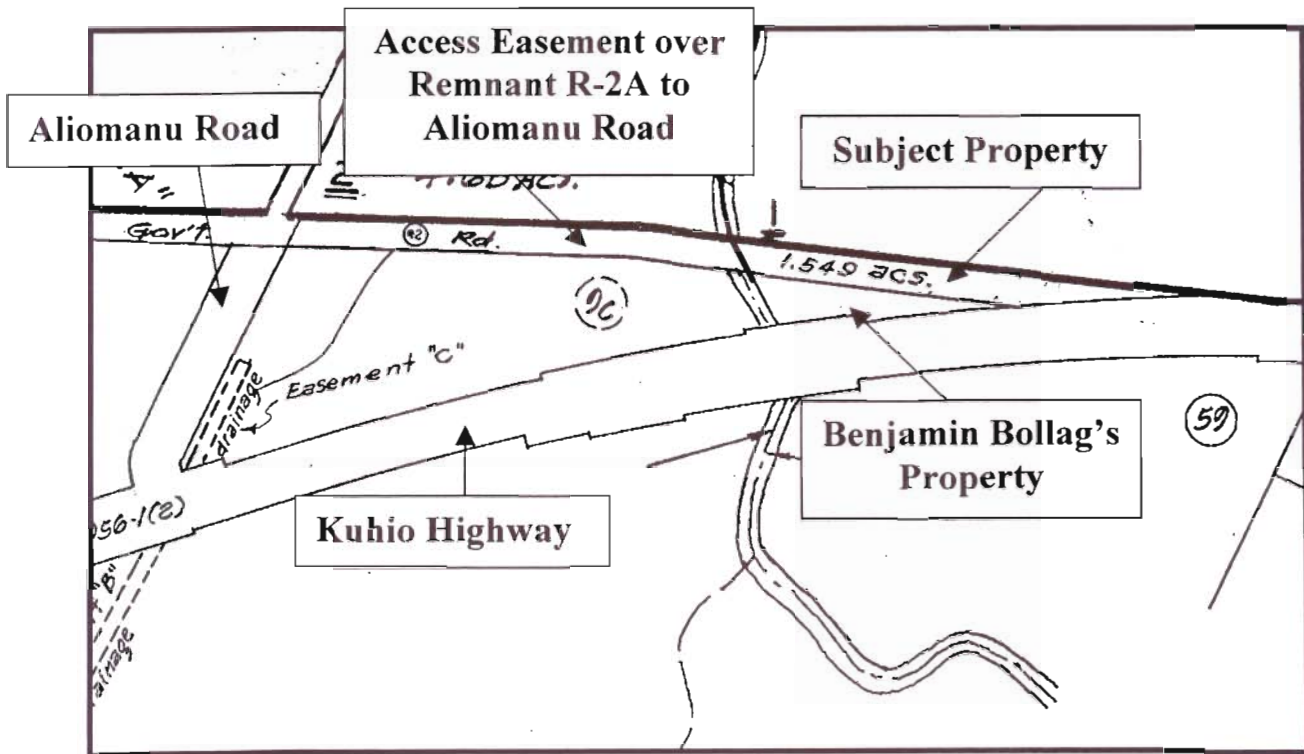
*for* 

---

RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:

*for*   
PETER T. YOUNG, Chairperson



TMK (4) 4-9-5:ROAD (PORTION)

EXHIBIT A





STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Amendment of the Retail Concession Lease (DOT-A-01-0003)  
DFS Group, L.P. at Honolulu International Airport

OAHU

On January 14, 2005, under agenda Item M-1, and May 27, 2005, under agenda Item M-2, the Land Board authorized the Department of Transportation (DOT) to amend the Retail Concession Lease (DOT-A-01-0003) at Honolulu International Airport. Subsequent discussions between the DOT and the retail concessionaire, DFS Group, L. P. (DFS), have led to further modifications of the terms of the Lease No. DOT-A-01-0003, including modifications to the previously approved amendment language. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the revised amendment:

PURPOSE:

To amend the existing Retail Concession Lease at Honolulu International Airport to:

- 1) extend the term of Lease No. DOT-A-01-0003 by thirty-six months;
- 2) require the concessionaire to pay the greater of the minimum annual guaranteed rent or 20 percent of gross receipts during the extension period;
- 3) establish the minimum annual guaranteed rent for the extension period to be the same as the minimum annual guaranteed rent for the lease year ending March 14, 2006;
- 4) include updated language for emergency rent relief and force majeure, which has been included in concession leases and agreements since Lease No. DOT-A-01-0003 was issued in 2001; and
- 5) adjust the categories of space, space numbers and square footages to reflect the results of the construction of DOT's Overseas Terminal Improvements Project AO-1042-20 (hereafter the "Project").

The Project was originally intended to begin in 2002 but was delayed by the events of September 11, 2001. Once construction began, the timetable for the Project continued to slip and the final spaces for the retail concession were not available for improvement by the concessionaire until September 2005. The current term of Lease No. DOT-A-01-0003 ends in March 2006.

Section 171-36, HRS provides that the terms of a lease may be extended to allow for financing or amortization of improvements.

Act 201 of the 2004 Session Laws of Hawaii provided the DOT with the discretionary authority to amend certain leases, including DOT-A-01-0003 that were impacted by the events of September 11, 2001.

APPLICANT:

DFS Group, L.P. whose business address is P. O. Box 29500, Honolulu, Hawaii 96820.

LEGAL REFERENCE:

Chapter 102, and Section 261-7, Hawaii Revised Statutes, as amended.  
Act 201 Session Laws of Hawaii 2004.

LOCATION:

Honolulu International Airport.

PREMISES:

A. EXISTING SPACE AT COMMENCEMENT OF THE CONCESSION LEASE ("Initial Allocation"):

HONOLULU INTERNATIONAL AIRPORT ("Airport")

Interisland Terminal Complex, Building 310

1. Space No. 203A, containing approximately 695 square feet as shown on the attached Exhibit B dated October 2000.
2. Space No. 203D, containing approximately 912 square feet as shown on the attached Exhibit B dated October 2000.

Diamond Head Extension, Building 341

1. Space No. 202C, containing approximately 178 square feet as shown on the attached Exhibit C dated October 2000.
2. Space No. 203B, containing approximately 203 square feet as shown on the attached Exhibit C dated October 2000.
3. Space No. 207D, containing approximately 161 square feet as shown on the attached Exhibit C dated October 2000.
4. Space No. 245, containing approximately 277 square feet as shown on the attached Exhibit E dated October 2000.
5. Space No. 255B, containing approximately 1,049 square feet as shown on the attached Exhibit D dated October 2000.
6. Space No. 255C, containing approximately 1,065 square feet as shown on the attached Exhibit D dated October 2000.
7. Space No. 255D, containing approximately 1,048 square feet as shown on the attached Exhibit D dated October 2000.
8. Space No. 255E, containing approximately 1,789 square feet as shown on the attached Exhibit E dated October 2000.
9. Space No. 274, containing approximately 86 square feet as shown on the attached Exhibit F dated October 2000.

Waiting Lobby Building, Building 342

1. Space No. 220A1, containing approximately 726 square feet as shown on the attached Exhibit G dated October 2000.
2. Space No. 220A2, containing approximately 126 square feet as shown on the attached Exhibit G dated October 2000.
3. Space No. 273A, containing approximately 1,560 square feet as shown on the attached Exhibit H dated October 2000.
4. Space No. 273B, containing approximately 1,046 square feet as shown on the attached Exhibit H dated October 2000.
5. Space No. 273C, containing approximately 978 square feet as shown on the attached Exhibit H dated October 2000.
6. Space No. 273F, containing approximately 1,927 square feet as shown on the attached Exhibit H dated October 2000.
7. Space No. 274A, containing approximately 1,223 square feet as shown on the attached Exhibit I dated October 2000.
8. Space No. 274B, containing approximately 1,722 square feet as shown on the attached Exhibit I dated October 2000.
9. Space No. 274C, containing approximately 1,002 square feet as shown on the attached Exhibit I dated October 2000.

Ewa Extension Domestic Building, Building 344

1. Space No. 208C, containing approximately 555 square feet as shown on the attached Exhibit J dated October 2000.
2. Space No. 208D, containing approximately 258 square feet as shown on the attached Exhibit J dated October 2000.
3. Space No. 208E, containing approximately 514 square feet as shown on the attached Exhibit J dated October 2000.
4. Space No. 240C, containing approximately 169 square feet as shown on the attached Exhibit K dated October 2000.
5. Space No. 240D, containing approximately 178 square feet as shown on the attached Exhibit K dated October 2000.
6. Space No. 278A, containing approximately 728 square feet as shown on the attached Exhibit L dated October 2000.
7. Space No. 295A, containing approximately 768 square feet as shown on the attached Exhibit L dated October 2000.
8. Space No. 295B, containing approximately 450 square feet as shown on the attached Exhibit L dated October 2000.

International Arrivals Building, Building 346

1. Space No. 269A, containing approximately 450 square feet as shown on the attached Exhibit M dated October 2000.

Central Concourse, Building 350

1. Space No. 217, containing approximately 544 square feet as shown on the attached Exhibit N dated October 2000.
2. Space No. 218A, containing approximately 919 square feet as shown on the attached Exhibit N dated October 2000.
3. Space No. 247, containing approximately 350 square feet as shown on the attached Exhibit N dated October 2000.
4. Space No. 248, containing approximately 539 square feet as shown on the attached Exhibit N dated October 2000.
5. Space No. 249A, containing approximately 554 square feet as shown on the attached Exhibit N dated October 2000.

Ewa Concourse, Building 360

1. Space No. 207C, containing approximately 412 square feet as shown on the attached Exhibit O dated October 2000.



2. Space No. 262, containing approximately 800 square feet as shown on the attached Exhibit P dated October 2000.
3. Space No. 261, containing approximately 355 square feet as shown on the attached Exhibit P dated October 2000.

Diamond Head Connecting Link, Building 363

1. Space No. 218A, containing approximately 596 square feet as shown on the attached Exhibit Q dated October 2000.

Diamond Head Concourse, Building 373

1. Space No. 264, containing approximately 148 square feet as shown on the attached Exhibit R dated October 2000.
2. Space No. 265, containing approximately 132 square feet as shown on the attached Exhibit R dated October 2000.

B. NEW SPACE

1. Part of Project. The Lessee acknowledges and understands that the Lessor is constructing the Project and that the Project will require the Lessee during the term of this Concession Lease to (a) modify and adjust its Concession operation, (b) vacate certain portions of the Initial Allocation to accommodate the Project and (c) move from the Initial Space (as defined herein to include the portion of the Initial Allocation situated within the Project area) to the New Space (as defined herein). Portions of the Premises comprising the Initial Allocation will be reduced in size, enlarged, reconfigured, modified, withdrawn, closed or otherwise affected in some similar manner. The Lessee acknowledges that other spaces will be made available as part of the Project to the Lessee.
2. No delay to Project. Upon receiving written notice from the Lessor, the Lessee shall expeditiously undertake and properly complete the following as appropriate, at the Lessee's sole cost and expense, in order that the completion of the Project will not be delayed: (a) prepare for occupancy all of the Initial Allocation made available by the Lessor, (b) vacate such portion of the Initial Allocation as directed by the Lessor, (c) adjust and modify the Concession operation on such portions of the Initial Allocation as directed by the Lessor, (d) prepare for occupancy, finish and build out all of the New Space made available by the Lessor, and (e) move from the Initial Space to the New Space.



3. Initial Space. The Initial Space shall be comprised of the following:

- a. Waiting Lobby, Building 342, Space No. 273A (Galleria).
- b. Waiting Lobby, Building 342, Space No. 273B (Galleria).
- c. Waiting Lobby, Building 342, Space No. 220A2 (Hawaiian Isle Memories)
- d. Waiting Lobby, Building 342, Space No. 273C (Hawaiian Treasures).
- e. Waiting Lobby, Building 342, Space No. 274C (Hawaiian Treasures).
- f. Waiting Lobby, Building 342, Space No. 273F (Cosmetics - Sundries).
- g. Waiting Lobby, Building 342, Space No. 220A1 (Crazy Shirts - Done).
- h. Ewa Extension Domestic, Building 344, Space No. 208E (Flight Time).

Demolition. Lessee shall be required to vacate the following portions of the Initial Space, upon written notice from the Lessor, which portions shall thereafter be deleted from the Premises under this Concession Lease and the improvements thereon demolished:

- (i) Waiting Lobby, Building 342, Space No. 273F (Cosmetics - Sundries).
- (ii) Waiting Lobby, Building 342, Space No. 220A1 (Crazy Shirts - Done).
- (iii) Ewa Extension Domestic, Building 344, Space No. 208E (Flight Time).

4. Definition of New Space. The following are the additional spaces that the Lessor will make available to the Lessee as part of the Project:

- a. Waiting Lobby, Building 342, portion of Space No. 279, containing approximately 3,093 square feet.
- b. Waiting Lobby, Building 342, Space No. 281A containing approximately 698 square feet.
- c. Waiting Lobby, Building 342, Space No. 281B containing approximately 981 square feet.
- d. Waiting Lobby, Building 342, Space No. 281C containing approximately 1,133 square feet.
- e. Waiting Lobby, Building 342, Space No. 281D containing approximately 979 square feet.
- f. Waiting Lobby, Building 342, Space No. 281E containing approximately 1,060 square feet.
- g. Ewa Extension Domestic, Building 344, Space No. 245, containing approximately 6,313 square feet.

ZONING:

Honolulu – Land Use: Urban/County: Industrial (I-2)

TAX MAP KEY:

1<sup>st</sup> Division – 1-1-03:Portion of 1 (Honolulu)

LAND STATUS:

Honolulu - Section 5(a) Hawaii Admission Act – Non-Ceded.  
DHHL 30% entitlement lands Yes\_\_ No X

TERM:

The term of the existing lease, which expires on March 14, 2006, will be extended until March 14, 2009.

IMPROVEMENTS:

Applicant will construct and install, at its own costs, improvements to the New Space.

RENTAL:

No additional square footage floor rent will be charged. The concessionaire will pay the greater of the minimum annual guaranteed rent or 20 percent of gross receipts. The minimum annual guaranteed rent for the lease year ending March 14, 2006, will continue during the extension period.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated November 14, 1990, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

REMARKS:

The DOT and the Applicant entered into that certain concession lease (Lease No. DOT-A-01-0003) dated February 8, 2001, for the Retail Concession at Honolulu

International Airport (Airport). Included in the Lease is a requirement for the Concessionaire to construct additional retail outlets once the space for the retail outlets is made available through the Lessor's construction project.

RECOMMENDATION:

That the Board amend its prior action of January 14, 2005, under agenda Item M-1, and May 27, 2004, approving Amendment No. 1 to Concession Lease (DOT-A-01-0003) and to authorize the DOT to modify the terms of the amendment to:

1) extend the term of the lease to March 14, 2009, 2) have the concessionaire pay the greater of the minimum annual guaranteed rent or 20 percent of gross receipts during the extension period, 3) have the minimum annual guaranteed rent in effect during the lease year ending March 14, 2006, continue through the extension period, 4) include updated language for emergency rent relief and force majeure, which has been included in concession leases and agreements since Lease No. DOT-A-01-0003 was issued in 2001, and 5) adjust the categories of space, space numbers and square footages to reflect the results of the construction of the Project.

Respectfully submitted,

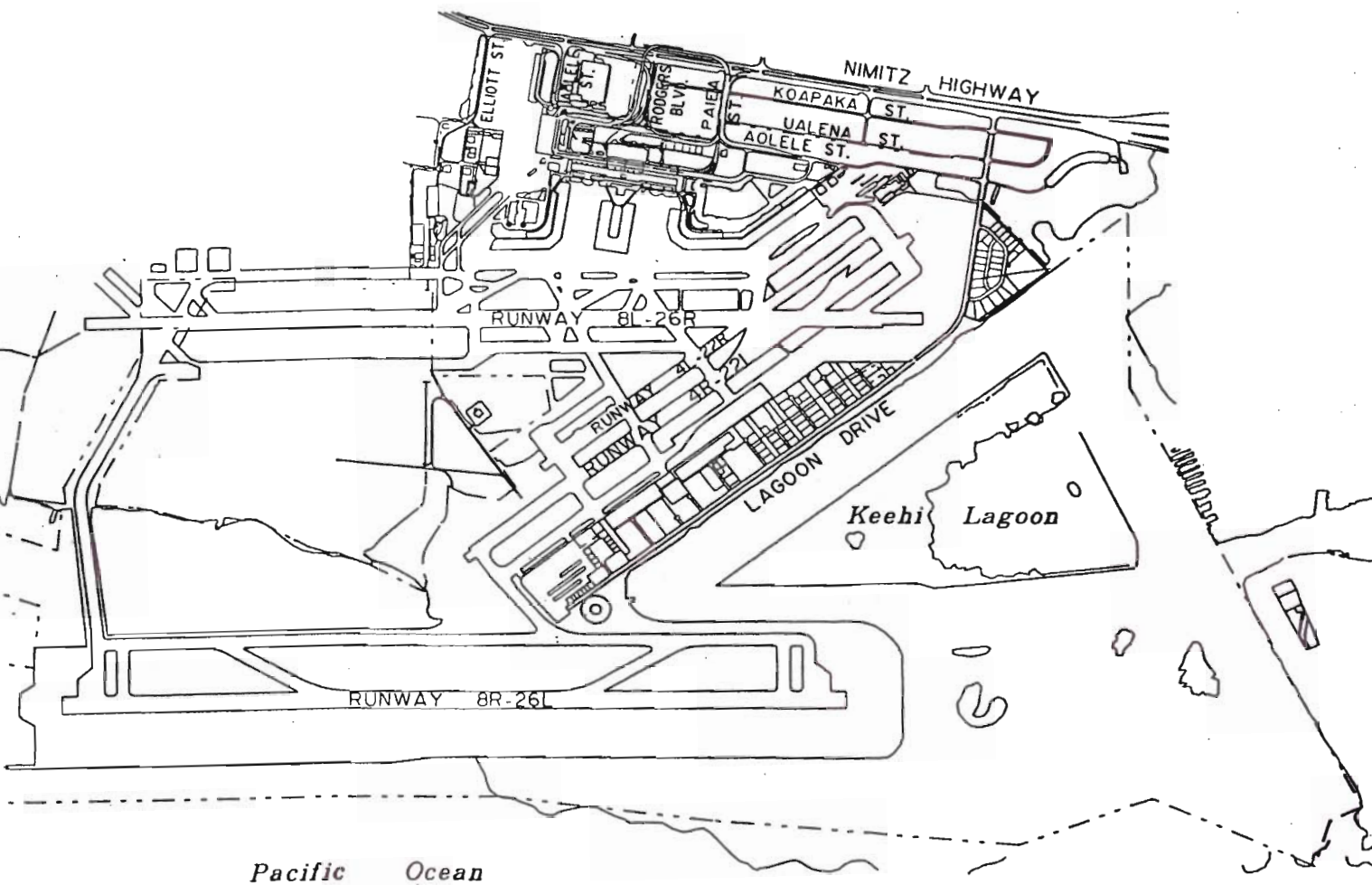


RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:



PETER T. YOUNG  
Chairperson and Member



SCALE: 1"=3000'

DATE : OCTOBER, 2000

EXHIBIT: A



Airports Division

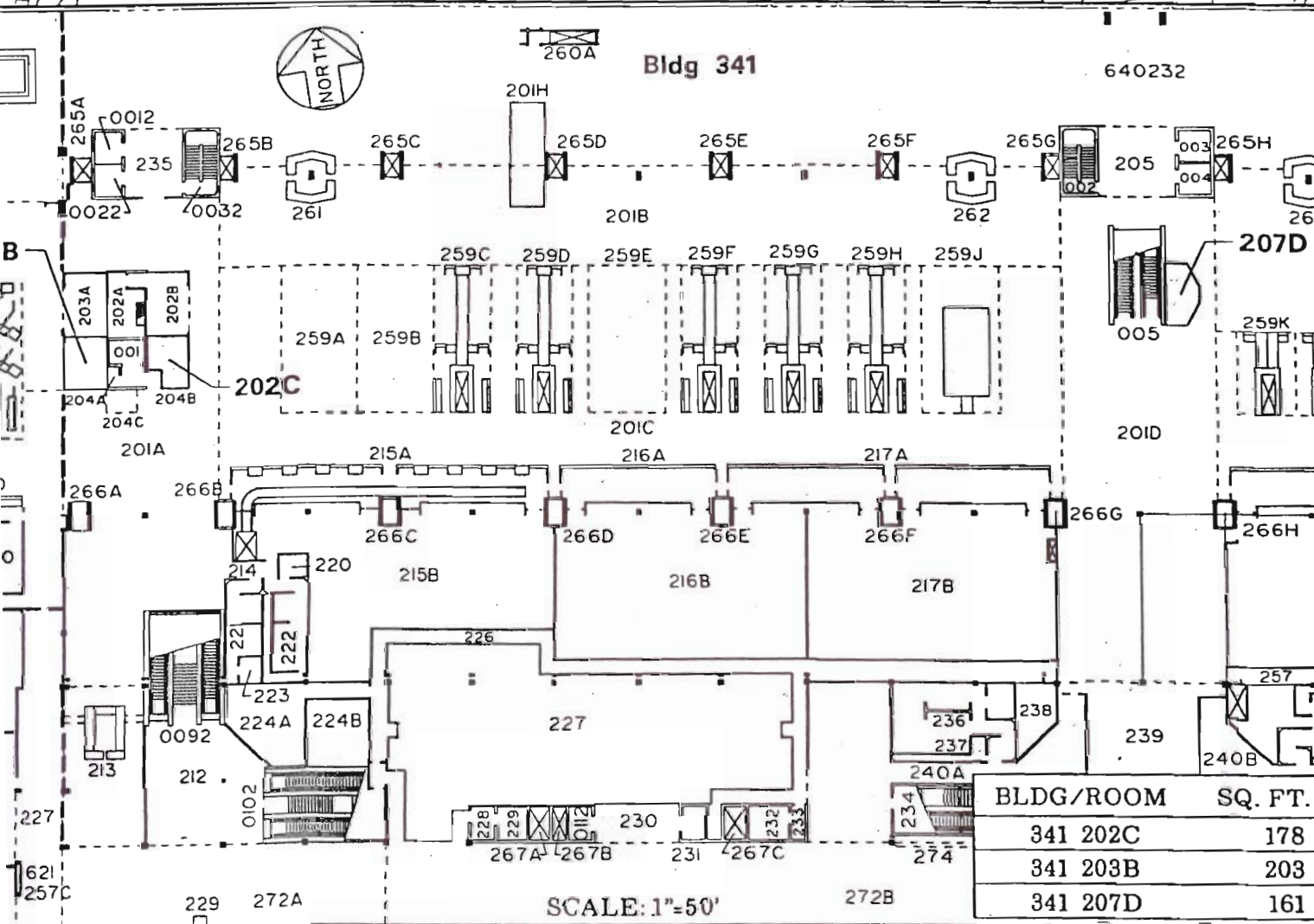
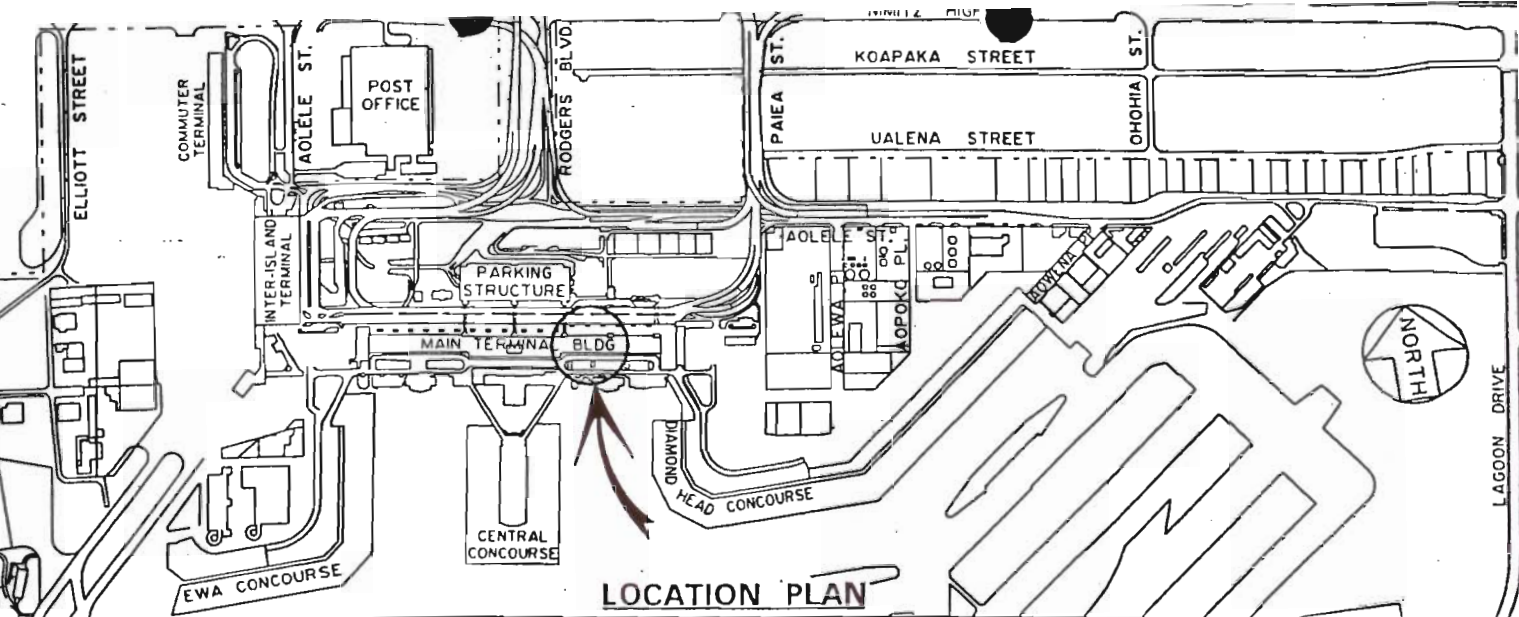
"AIRPORT"

PLAT C

HONOLULU INTERNATIONAL AIRPORT

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BLDG/ROOM	SQ. FT.
341 202C	178
341 203B	203
341 207D	161

DATE: OCTOBER, 2000

EXHIBIT: C



## RETAIL CONCESSION

BLDG 341  
DIAMOND HEAD  
TICKET LOBBY  
SECOND LEVEL

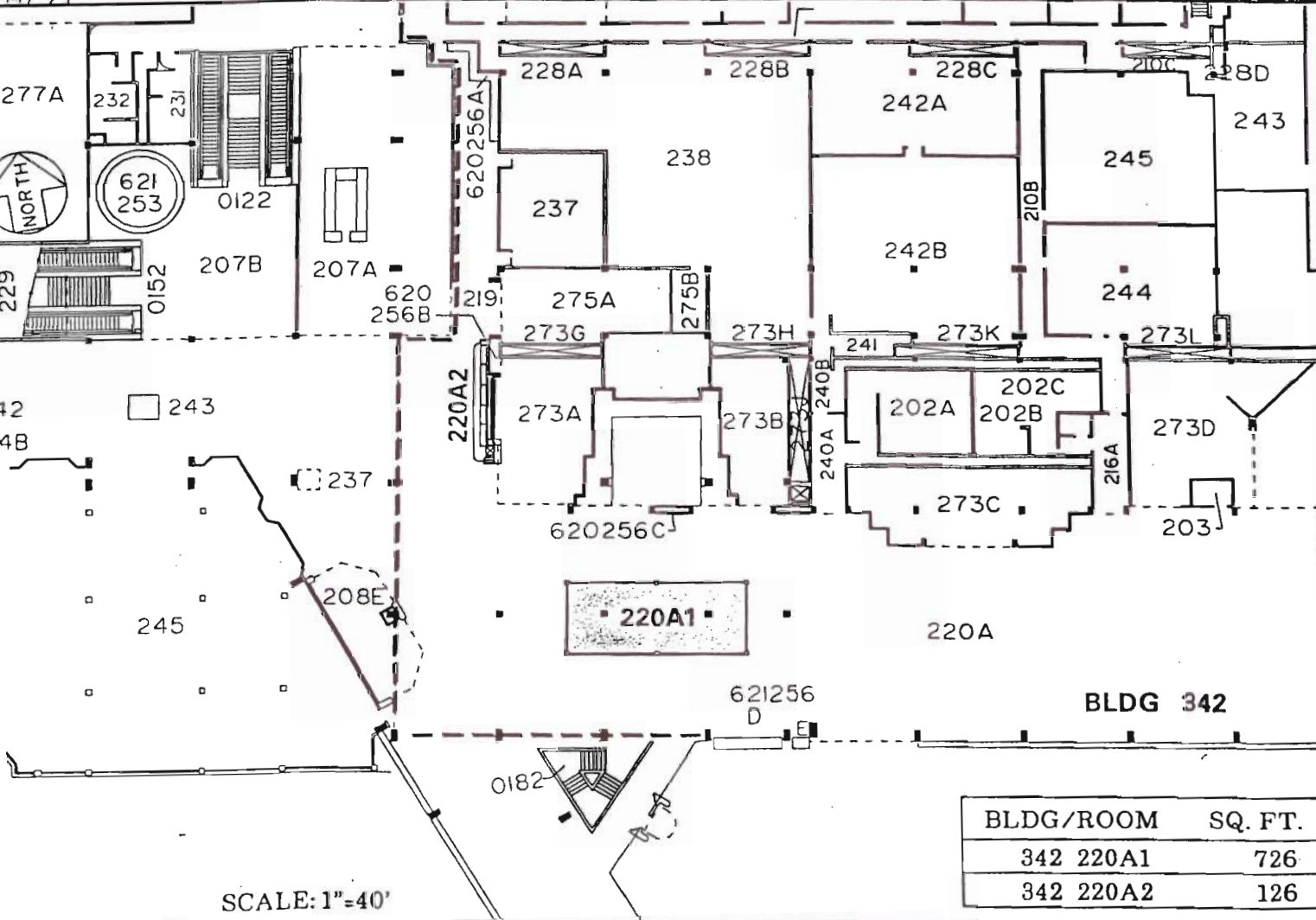
341202C  
341203B  
341207D  
PLAT A2

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# HONOLULU INTERNATIONAL AIRPORT







BLDG/ROOM	SQ. FT.
342 220A1	726
342 220A2	126

DATE : OCTOBER, 2000

EXHIBIT: **G**

### Airports Division

## RETAIL CONCESSION

BLDG 342  
CENTRAL WAITING LOBBY  
SECOND LEVEL

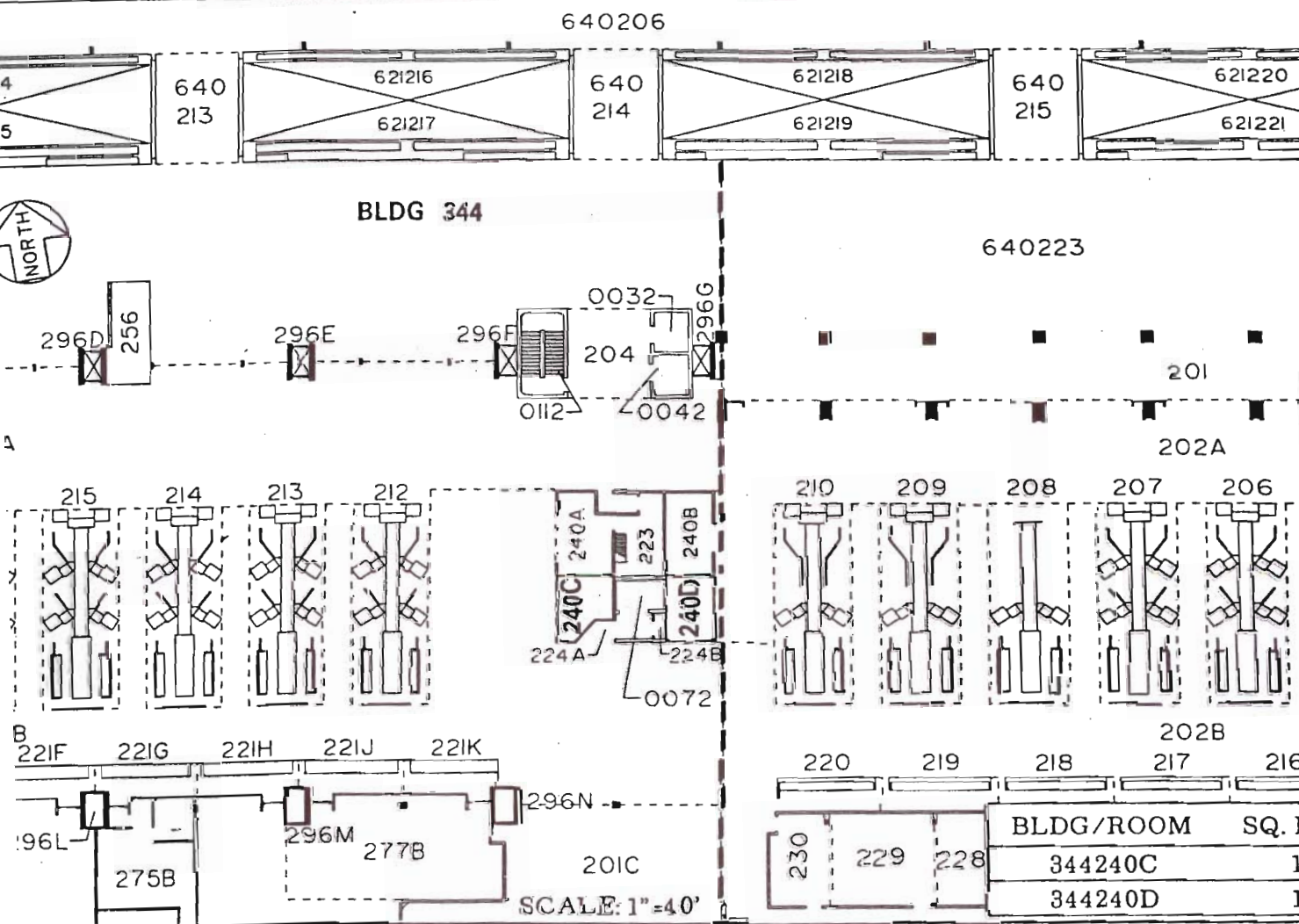
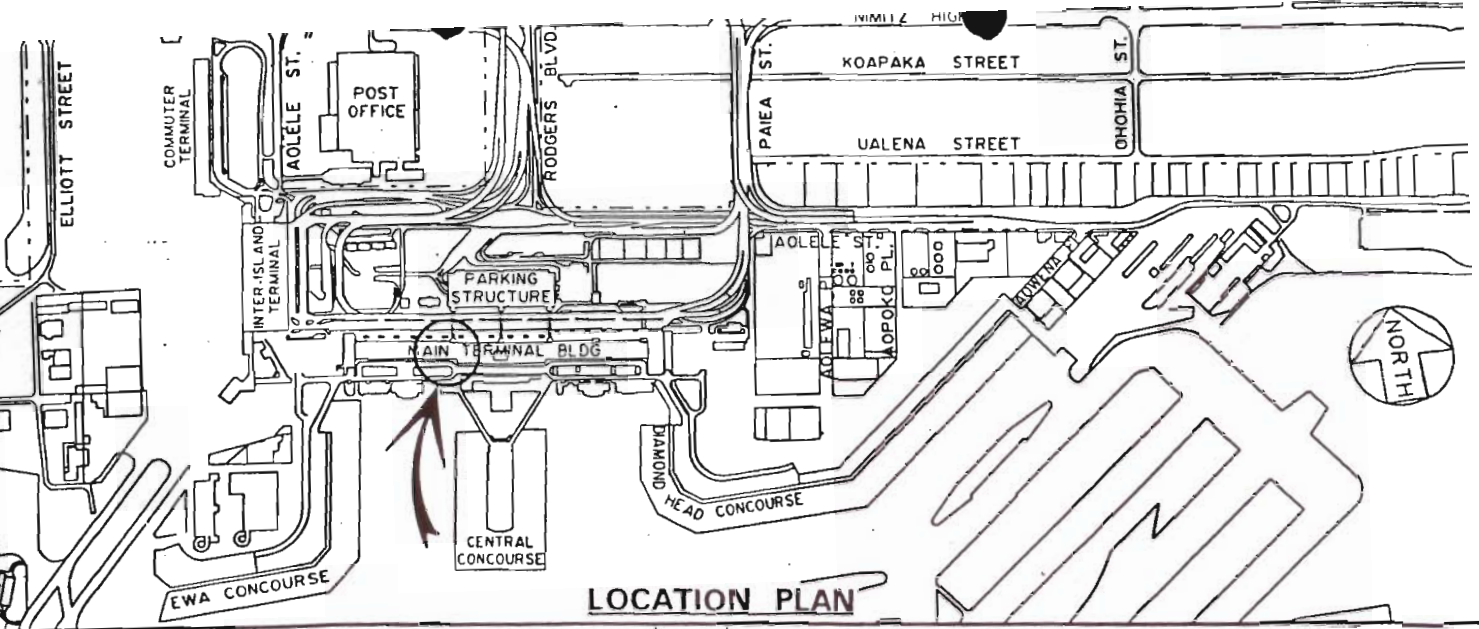
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342220A2  
PLAT A2

## HONOLULU INTERNATIONAL AIRPORT

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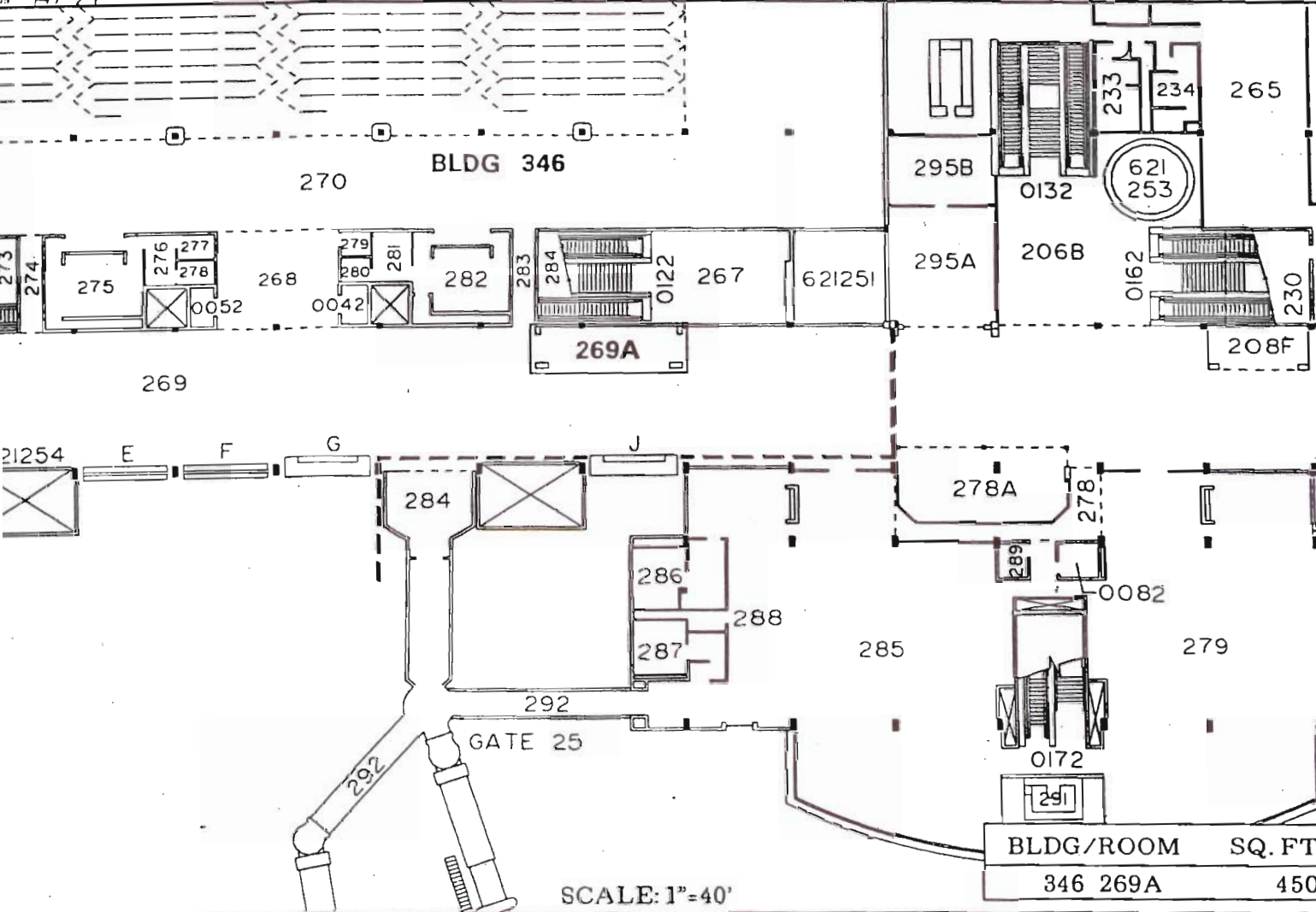
DATE: OCTOBER, 2000

EXHIBIT: K

<p>Airports Division</p>	<p>RETAIL CONCESSION</p>	<p>BLDG 344 EWA EXTENSION DOMESTIC SECOND LEVEL</p>	<p>344240C 344240D PLAT A</p>
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HONOLULU INTERNATIONAL AIRPORT

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DATE: OCTOBER, 2000

EXHIBIT: M



## RETAIL CONCESSION

BLDG 346  
INTL ARRIVAL BLDG  
SECOND LEVEL

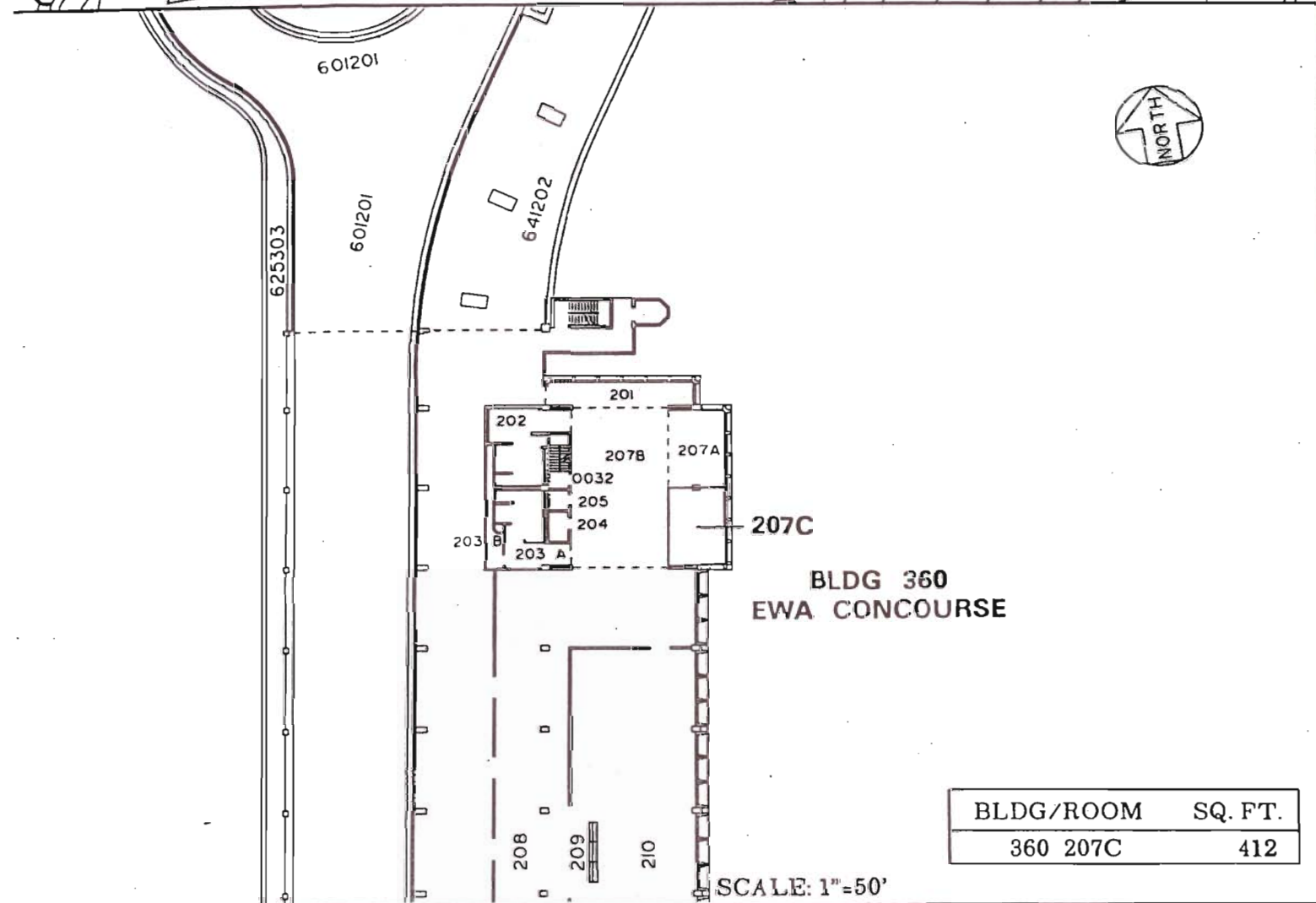
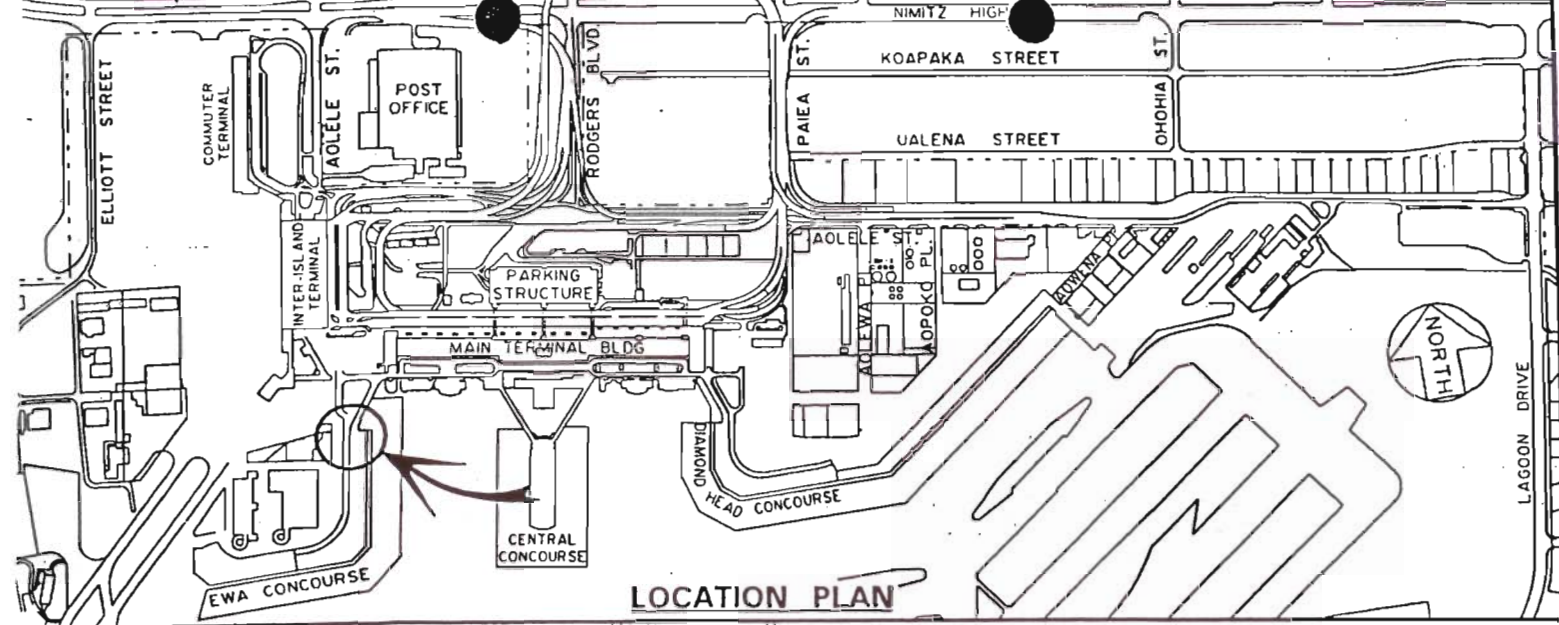
346269A

PLAT A

## HONOLULU INTERNATIONAL AIRPORT

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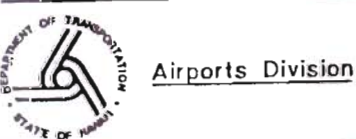




BLDG/ROOM	SQ. FT.
360 207C	412

DATE: OCTOBER, 2000

EXHIBIT: **O**



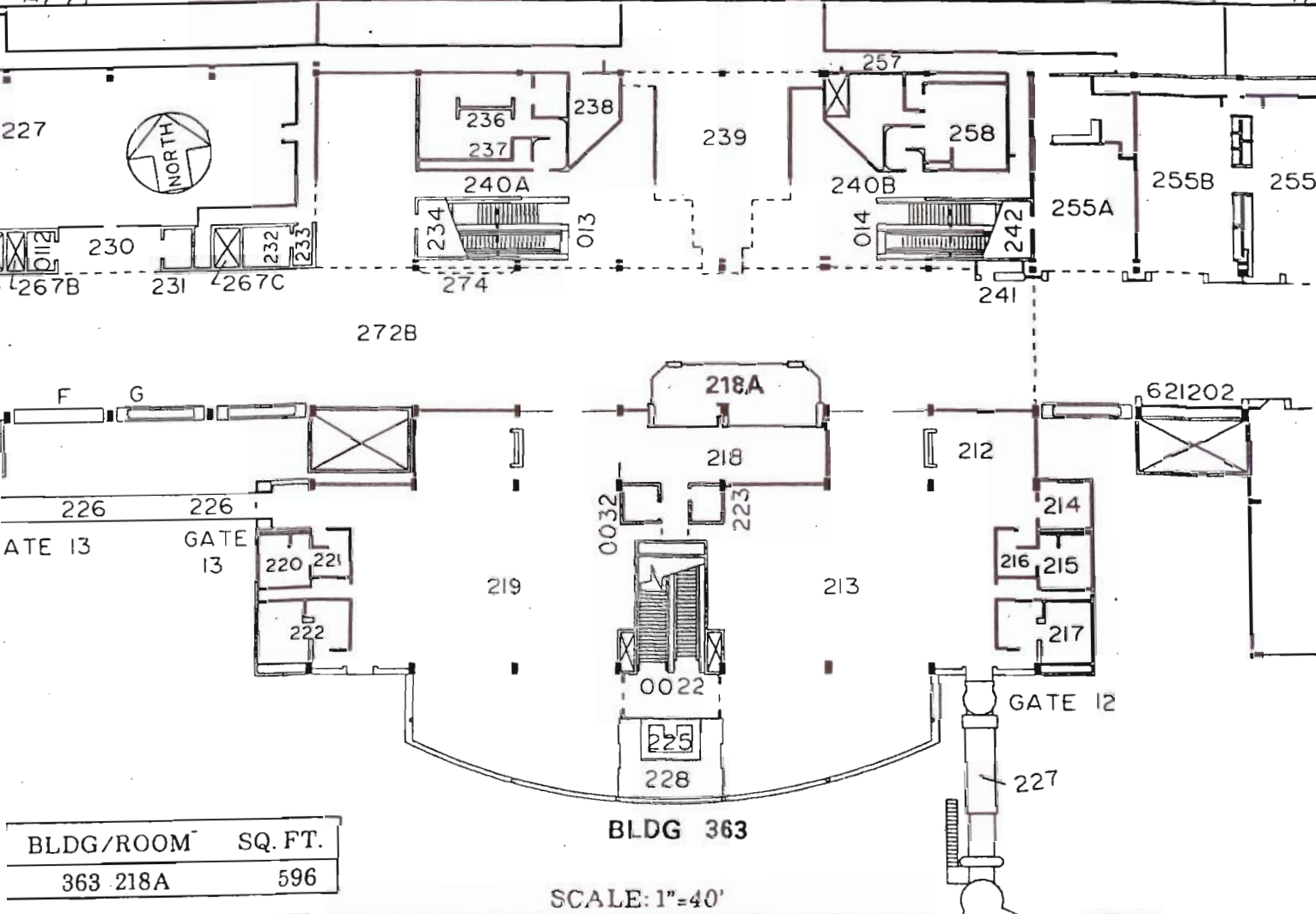
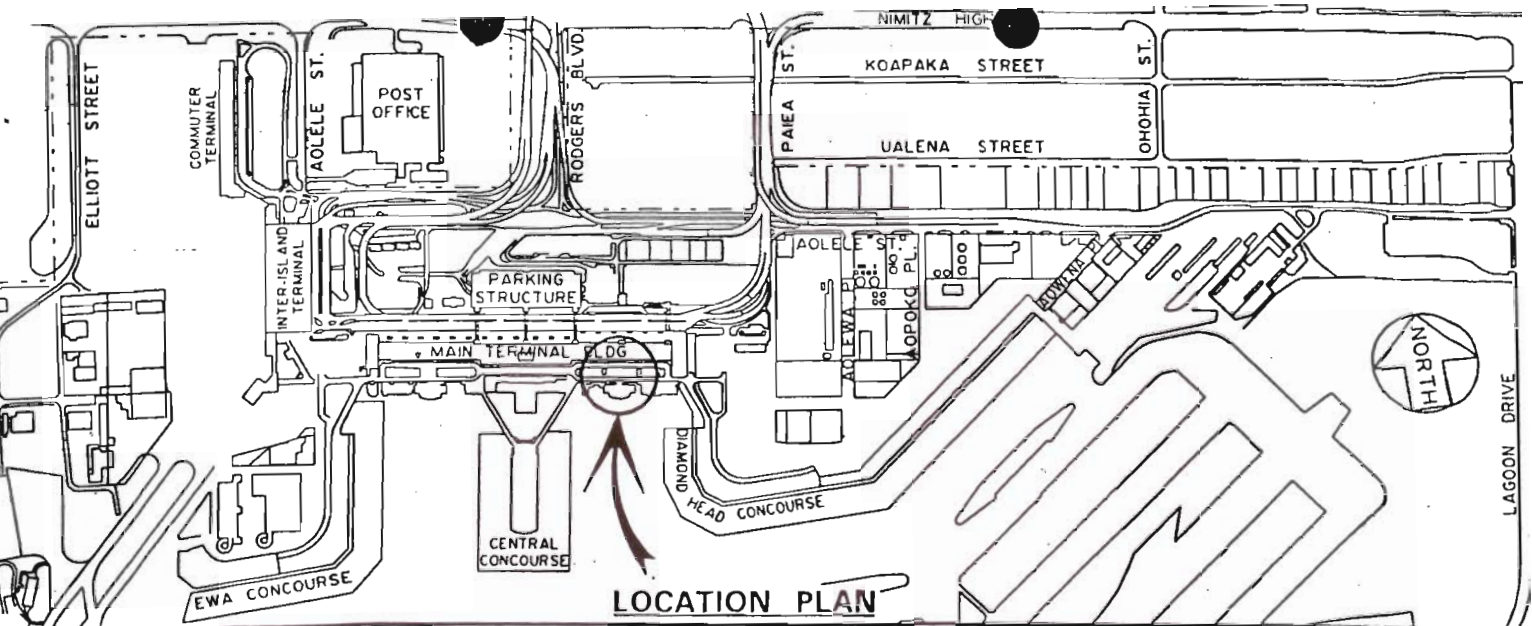
RETAIL  
CONCESSION

BLDG 360  
EWA CONCOURSE  
SECOND LEVEL

360207C  
PLAT F2

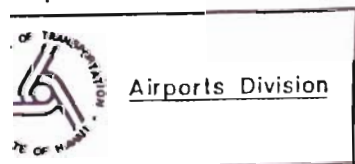
HONOLULU INTERNATIONAL AIRPORT

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DATE: OCTOBER, 2000

EXHIBIT: **Q**



RETAIL  
CONCESSION

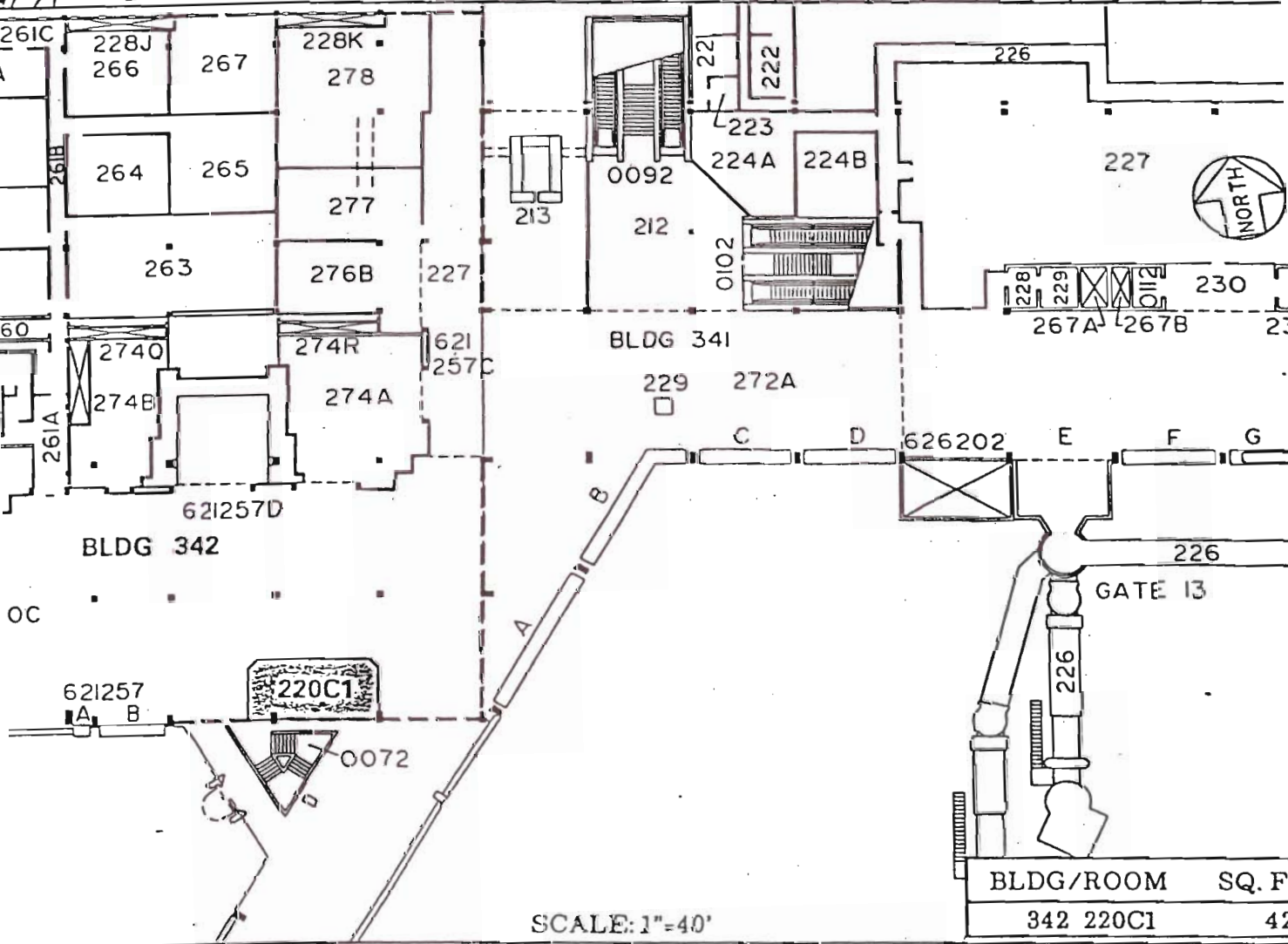
BLDG 363  
D.H. CONNECTING LINK  
SECOND LEVEL

363218A  
PLAT M

HONOLULU INTERNATIONAL AIRPORT

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DATE: OCTOBER 2000

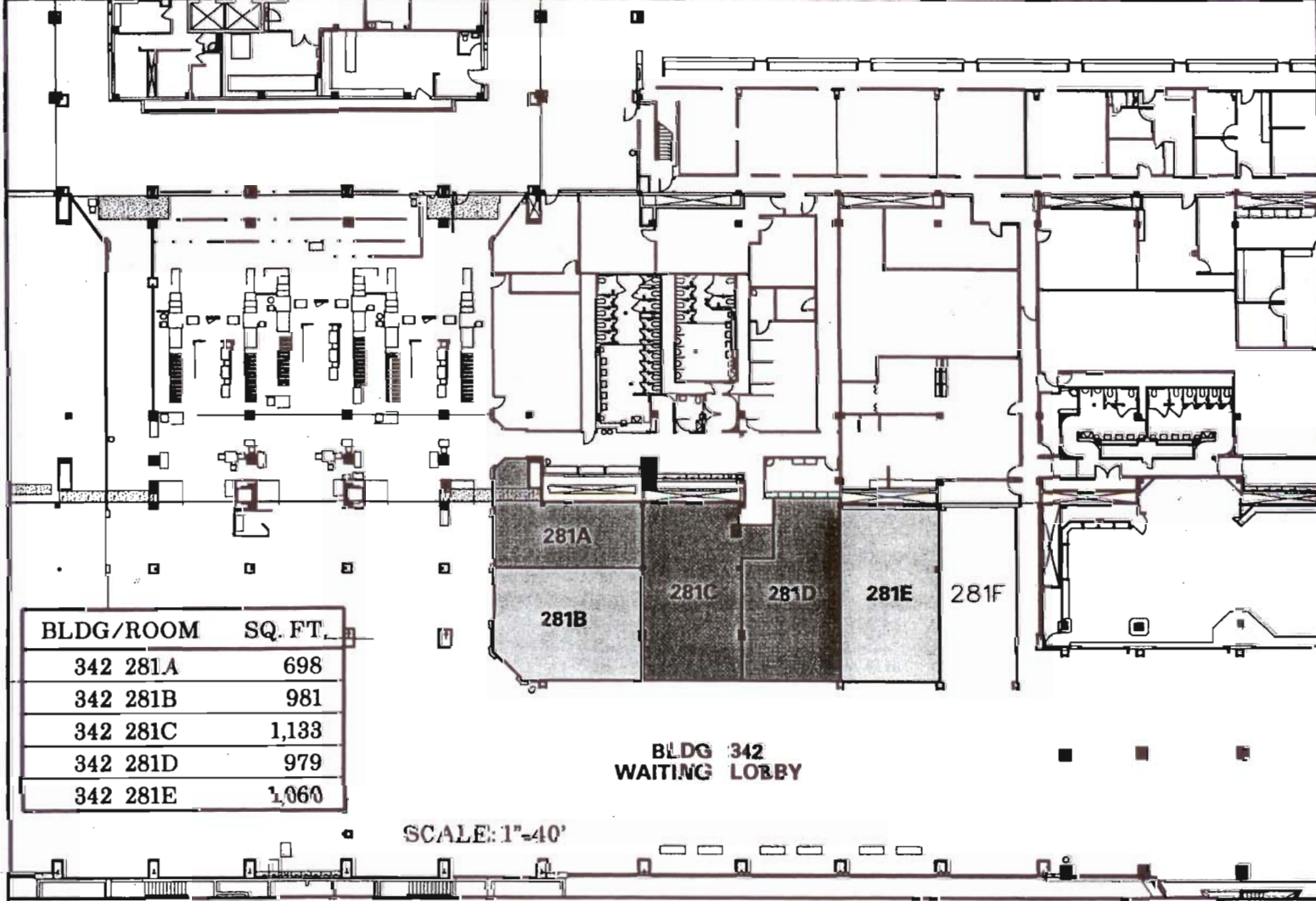
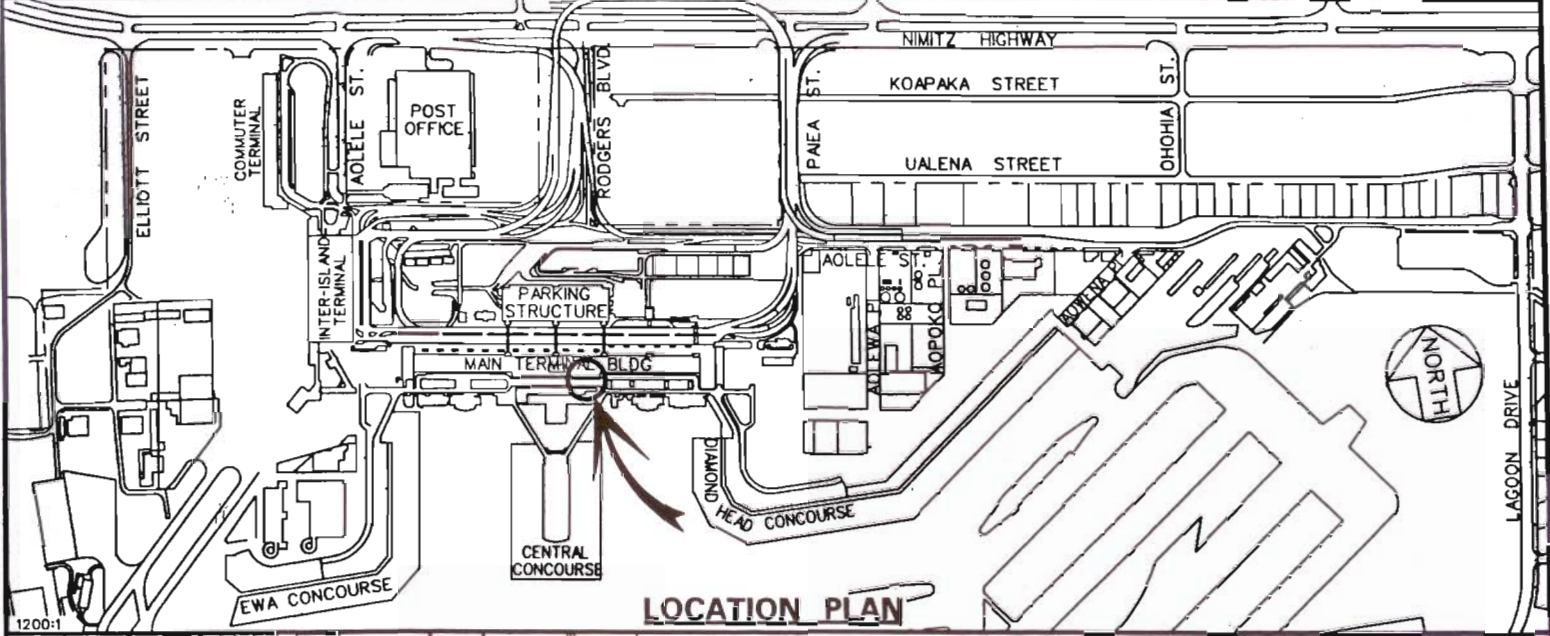
EXHIBIT: 7

Airports Division

RETAIL  
CONCESSION

BLDG 342  
CENTRAL WAITING LOBBY  
SECOND LEVEL

3422200  
PLAT M



BLDG/ROOM	SQ. FT.
342 281A	698
342 281B	981
342 281C	1,133
342 281D	979
342 281E	1,060

DATE: SEPTEMBER, 2005

EXHIBIT: **V**



Airports Division

RETAIL CONCESSION

BLDG 342  
WAITING LOBBY  
SECOND LEVEL

342281A -  
342281E  
**PLAT A2**





STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

RODNEY K. HARAGA  
DIRECTOR

Deputy Directors  
BRUCE Y. MATSUI  
BARRY FUKUNAGA  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

January 14, 2005

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Amendment of the Retail Concession Lease (DOT-A-01-0003)  
with DFS Group, L.P. at Honolulu International Airport

OAHU

The Department of Transportation (DOT) proposes to amend the existing Retail Concession Lease (DOT-A-01-0003) at Honolulu International Airport. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the amendment:

PURPOSE:

To amend the existing Retail Concession Lease at Honolulu International Airport, to allow the tenant to continue to pay the lower of the minimum annual guaranteed rent or 20 percent of gross receipts as specified in Article VI.F. of Lease DOT-A-01-0003 until 90 days after the Lessor makes the New Space available to the concessionaire, and to require the successor concessionaire to pay for any unamortized cost of improvements the existing concessionaire is required to construct as part of the DOT's improvement project in the Overseas Terminal.

DOT's improvement project was originally intended to begin in 2002 but was delayed by the events of September 11, 2001. Once construction began, the timetable for the project continued to slip and it is now anticipated that the space for the retail concession will not be available for improvement by the concessionaire until early 2005. The term of Lease DOT-A-01-0003 ends in March 2006.

Act 201 of the 2004 Session Laws of Hawaii provided the DOT with the discretionary authority to amend certain leases, including DOT-A-01-0003, that were impacted by the events of September 11, 2001.

Approved by the Board  
at its meeting held on  
1/14/05

A handwritten signature in black ink, likely of Rodney K. Haraga, is written over the date and the word "Approved".

EXHIBIT A

APPLICANT:

DFS Group, L.P. whose business address is P. O. Box 29500, Honolulu, Hawaii 96820.

LEGAL REFERENCE:

Chapter 102 and Section 261-7, Hawaii Revised Statutes, as amended.

LOCATION:

Honolulu International Airport.

PREMISES:

A. EXISTING SPACE AT COMMENCEMENT OF THE CONCESSION LEASE ("Initial Allocation"):

HONOLULU INTERNATIONAL AIRPORT ("Airport")

Interisland Terminal Complex, Building 310

1. Space No. 203A, containing approximately 695 square feet as shown on the attached Exhibit B dated October 2000.
2. Space No. 203D, containing approximately 912 square feet as shown on the attached Exhibit B dated October 2000.

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1. Space No. 202C, containing approximately 178 square feet as shown on the attached Exhibit C dated October 2000.
2. Space No. 203B, containing approximately 203 square feet as shown on the attached Exhibit C dated October 2000.
3. Space No. 207D, containing approximately 161 square feet as shown on the attached Exhibit C dated October 2000.
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7. Space No. 255D, containing approximately 1,048 square feet as shown on the attached Exhibit D dated October 2000.
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9. Space No. 274, containing approximately 86 square feet as shown on the attached Exhibit F dated October 2000.

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2. Space No. 220A2, containing approximately 126 square feet as shown on the attached Exhibit G dated October 2000.
3. Space No. 273A, containing approximately 1,560 square feet as shown on the attached Exhibit H dated October 2000.
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7. Space No. 274A, containing approximately 1,223 square feet as shown on the attached Exhibit I dated October 2000.
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Ewa Extension Domestic Building, Building 344

1. Space No. 208C, containing approximately 555 square feet as shown on the attached Exhibit J dated October 2000.
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3. Space No. 208E, containing approximately 514 square feet as shown on the attached Exhibit J dated October 2000.
4. Space No. 240C, containing approximately 169 square feet as shown on the attached Exhibit K dated October 2000.
5. Space No. 240D, containing approximately 178 square feet as shown on the attached Exhibit K dated October 2000.

6. Space No. 278A, containing approximately 728 square feet as shown on the attached Exhibit L dated October 2000.
7. Space No. 295A, containing approximately 768 square feet as shown on the attached Exhibit L dated October 2000.
8. Space No. 295B, containing approximately 450 square feet as shown on the attached Exhibit L dated October 2000.

International Arrivals Building, Building 346

Space No. 269A, containing approximately 450 square feet as shown on the attached Exhibit M dated October 2000.

Central Concourse, Building 350

1. Space No. 217, containing approximately 544 square feet as shown on the attached Exhibit N dated October 2000.
2. Space No. 218A, containing approximately 919 square feet as shown on the attached Exhibit N dated October 2000.
3. Space No. 247, containing approximately 350 square feet as shown on the attached Exhibit N dated October 2000.
4. Space No. 248, containing approximately 539 square feet as shown on the attached Exhibit N dated October 2000.
5. Space No. 249A, containing approximately 554 square feet as shown on the attached Exhibit N dated October 2000.

Ewa Concourse, Building 360

1. Space No. 207C, containing approximately 412 square feet as shown on the attached Exhibit O dated October 2000.
2. Space No. 262, containing approximately 800 square feet as shown on the attached Exhibit P dated October 2000.
3. Space No. 261, containing approximately 355 square feet as shown on the attached Exhibit P dated October 2000.

Diamond Head Connecting Link, Building 363

Space No. 218A, containing approximately 596 square feet as shown on the attached Exhibit Q dated October 2000.



Diamond Head Concourse, Building 373

1. Space No. 264, containing approximately 148 square feet as shown on the attached Exhibit R dated October 2000.
2. Space No. 265, containing approximately 132 square feet as shown on the attached Exhibit R dated October 2000.

B. NEW SPACE

1. Part of Project. The Lessee acknowledges and understands that the Lessor is constructing the Overseas Terminal Improvements Project, Honolulu International Airport, Project No. AO1042-20 (hereafter the "Project") and that the Project will require the Lessee during the term of this Concession Lease to (a) modify and adjust its Concession operation, (b) vacate certain portions of the Initial Allocation to accommodate the Project and (c) move from the Initial Space (as defined herein to include the portion of the Initial Allocation situated within the Project area) to the New Space (as defined herein). Portions of the Premises comprising the Initial Allocation will be reduced in size, enlarged, reconfigured, modified, withdrawn, closed or otherwise affected in some similar manner. The Lessee acknowledges that other spaces will be made available as part of the Project to the Lessee.
2. No delay to Project. Upon receiving written notice from the Lessor, the Lessee shall expeditiously undertake and properly complete the following as appropriate, at the Lessee's sole cost and expense, in order that the completion of the Project will not be delayed: (a) prepare for occupancy all of the Initial Allocation made available by the Lessor, (b) vacate such portion of the Initial Allocation as directed by the Lessor, (c) adjust and modify the Concession operation on such portions of the Initial Allocation as directed by the Lessor, (d) prepare for occupancy, finish and build out all of the New Space made available by the Lessor and (e) move from the Initial Space to the New Space.
3. Initial Space. The Initial Space shall be comprised of the following:
  - a. Waiting Lobby, Building 342, Space No. 273A (Galleria).
  - b. Waiting Lobby, Building 342, Space No. 273B (Galleria).
  - c. Waiting Lobby, Building 342, Space No. 274A (Gifts).
  - d. Waiting Lobby, Building 342, Space No. 274B (Packaged Foods).
  - e. Waiting Lobby, Building 342, Space No. 220A2 (Hawaiian Isle Memories).
  - f. Waiting Lobby, Building 342, Space No. 273C (Hawaiian Treasures).
  - g. Waiting Lobby, Building 342, Space No. 274C (Hawaiian Treasures).

- h. Waiting Lobby, Building 342, Space No. 273F (Cosmetics - Sundries).
- i. Waiting Lobby, Building 342, Space No. 220A1 (Crazy Shirts - Done).
- j. Ewa Extension Domestic, Building 344, Space No. 208E (Flight Time).

Demolition. Lessee shall be required to vacate the following portions of the Initial Space, upon written notice from the Lessor, which portions shall thereafter be deleted from the Premises under this Concession Lease and the improvements thereon demolished:

- (i) Waiting Lobby, Building 342, Space No. 273F (Cosmetics - Sundries).
- (ii) Waiting Lobby, Building 342, Space No. 220A1 (Crazy Shirts - Done).
- (iii) Ewa Extension Domestic, Building 344, Space No. 208E (Flight Time).

4. Definition of New Space. The following are the additional spaces that the Lessor will make available to the Lessee as part of the Project:

- a. Waiting Lobby, Building 342, portion of Space No. 279, containing approximately 3,093 square feet.
- b. Waiting Lobby, Building 342, Space No. 280, containing approximately 2,342 square feet.
- c. Waiting Lobby, Building 342, Space No. 281, containing approximately 7,633 square feet.
- d. Ewa Extension Domestic, Building 344, Space No. 245A, containing approximately 3,918 square feet.
- e. Diamond Head Extension, Building 341, Space No. 275, containing approximately 773 square feet.

ZONING:

Honolulu – Land Use: Urban/County: Industrial (I-2)

TAX MAP KEY:

1<sup>st</sup> Division – 1-1-03:Portion of 1 (Honolulu)

LAND STATUS:

Honolulu - Section 5(a) Hawaii Admission Act – Non-Ceded.  
DHHL 30% entitlement lands Yes\_\_\_ No X

TERM:

To run for the balance of the term of the existing lease, which expires on March 14, 2006. The rent will continue to be the lower of the minimum annual guaranteed rent or 20 percent of gross receipts until 90 days after the Lessor makes the New Space available to the concessionaire. At such time, the rent will revert to the higher of the minimum annual guaranteed rent or 20 percent of gross receipts. The successor concessionaire will be responsible reimbursing the current concessionaire for the amount of the unamortized improvements the concessionaire is required to construct by the Lessor.

IMPROVEMENTS:

Applicant will construct and install, at its own cost, improvements to the New Space.

RENTAL:

No additional square footage floor rent will be charged. Currently, the concessionaire pays the lower of the minimum annual guaranteed rent or 20 percent of gross receipts. Ninety days after the new space is made available to the concessionaire the rent will change to the greater of the minimum annual guaranteed rent or 20 percent of gross receipts.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation dated November 14, 1990, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

REMARKS:

The DOT and the Applicant entered into that certain concession lease (Lease No. DOT-A-01-0003) dated February 8, 2001, for the Retail Concession at Honolulu International Airport (Airport). Included in the Lease is a requirement for the

Concessionaire to construct additional retail outlets once the space for the retail outlets is made available through the Lessor's construction project.

RECOMMENDATION:

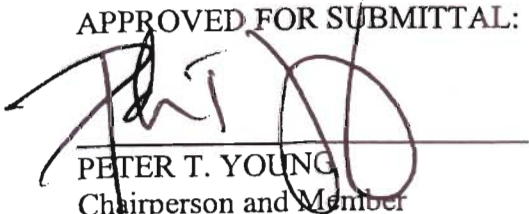
That the Board authorize the DOT to amend the existing Concession Lease (DOT-A-01-0003) to allow the DOT to continue to permit the concessionaire to pay the lower of the minimum annual guaranteed rent or 20 percent of gross receipts until 90 days after the new space is made available to the concessionaire, at which time the rent will return to the greater of the minimum guaranteed rent or 20 percent of gross receipts and to require the successor concessionaire to reimburse the current concessionaire for the unamortized cost of the improvements at the end of the current Lease.

Respectfully submitted,



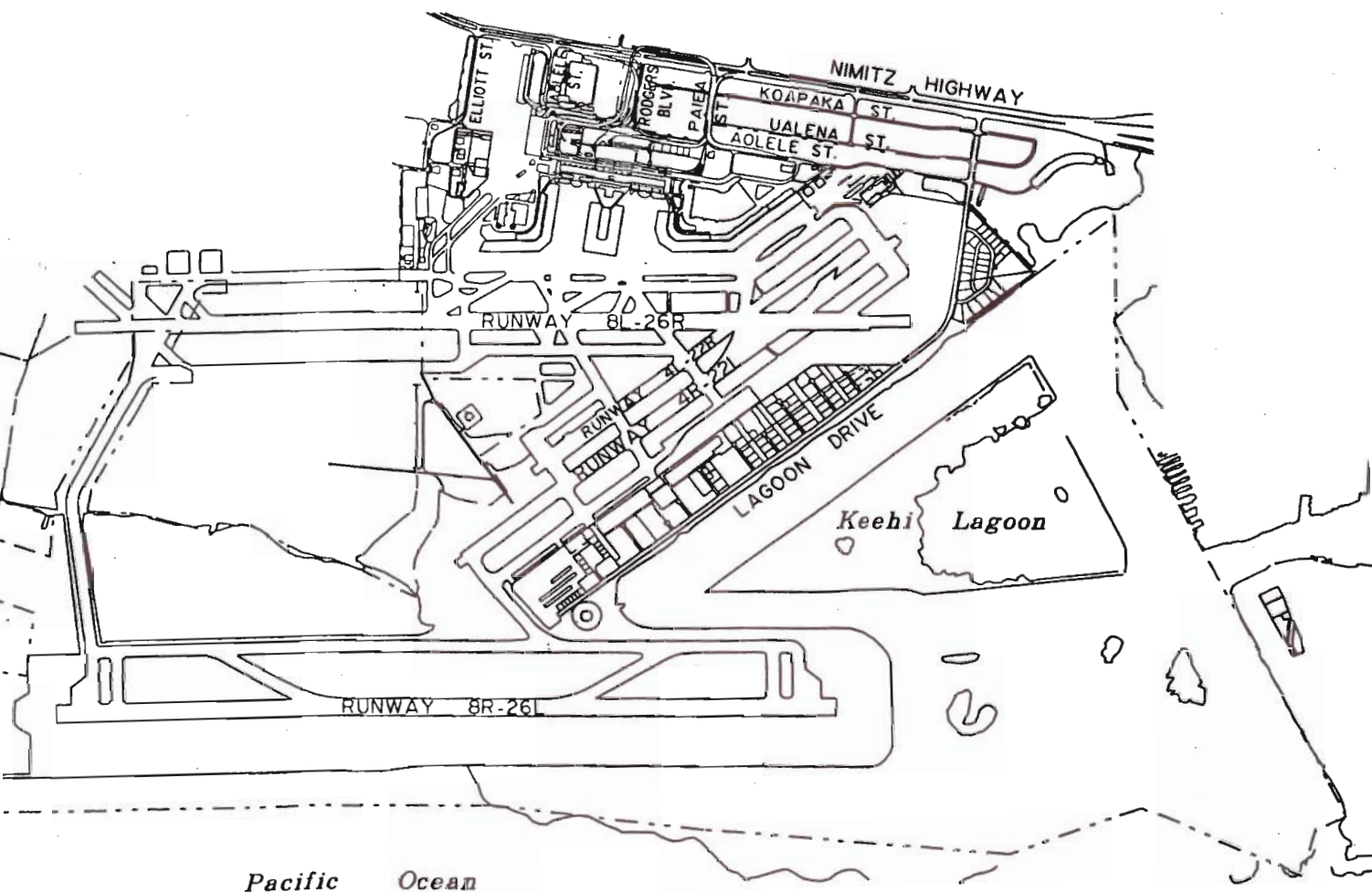
RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:



PETER T. YOUNG  
Chairperson and Member





SCALE: 1"=3000'

DATE: OCTOBER, 2000

EXHIBIT: **A**



Airports Division

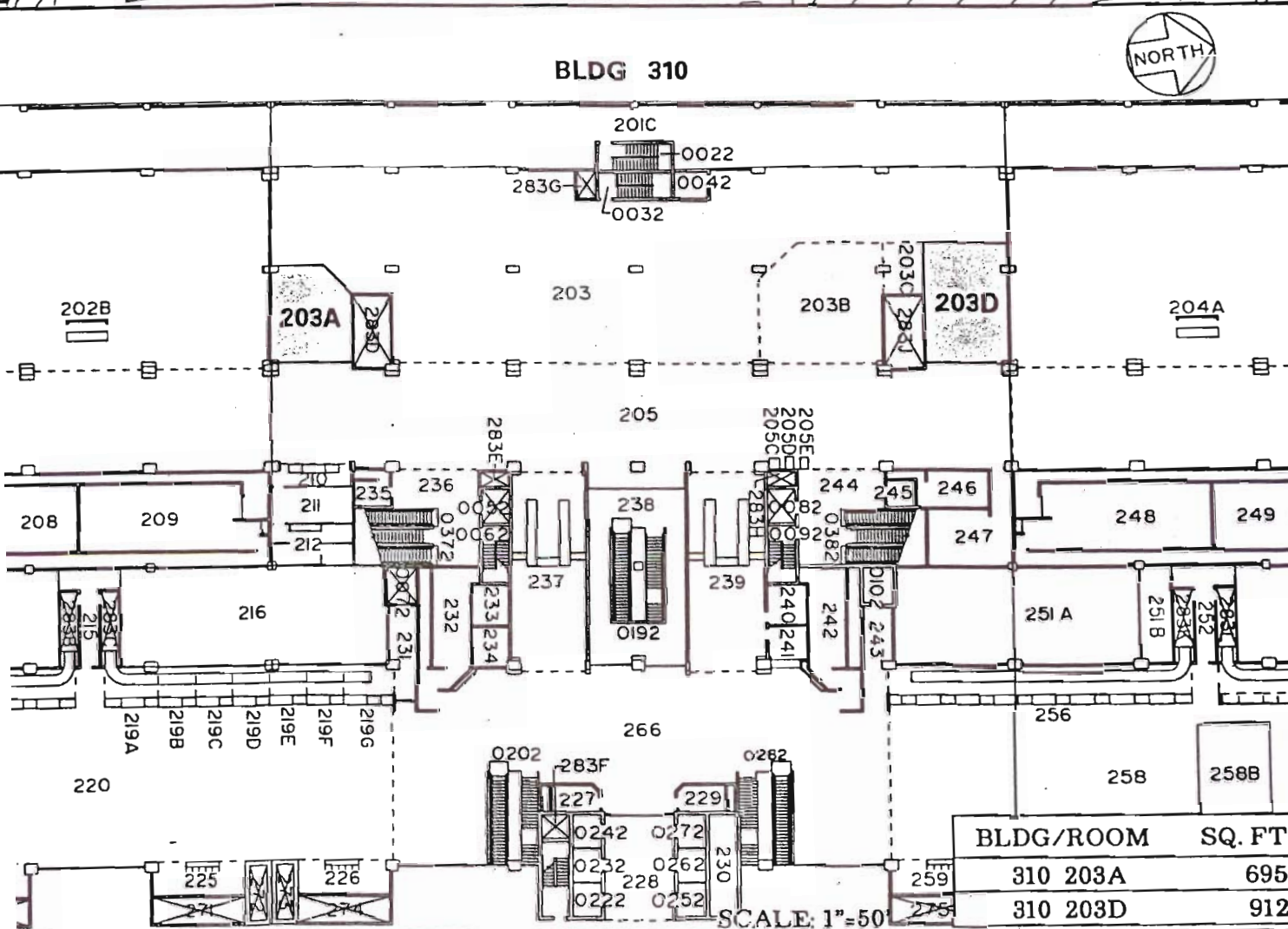
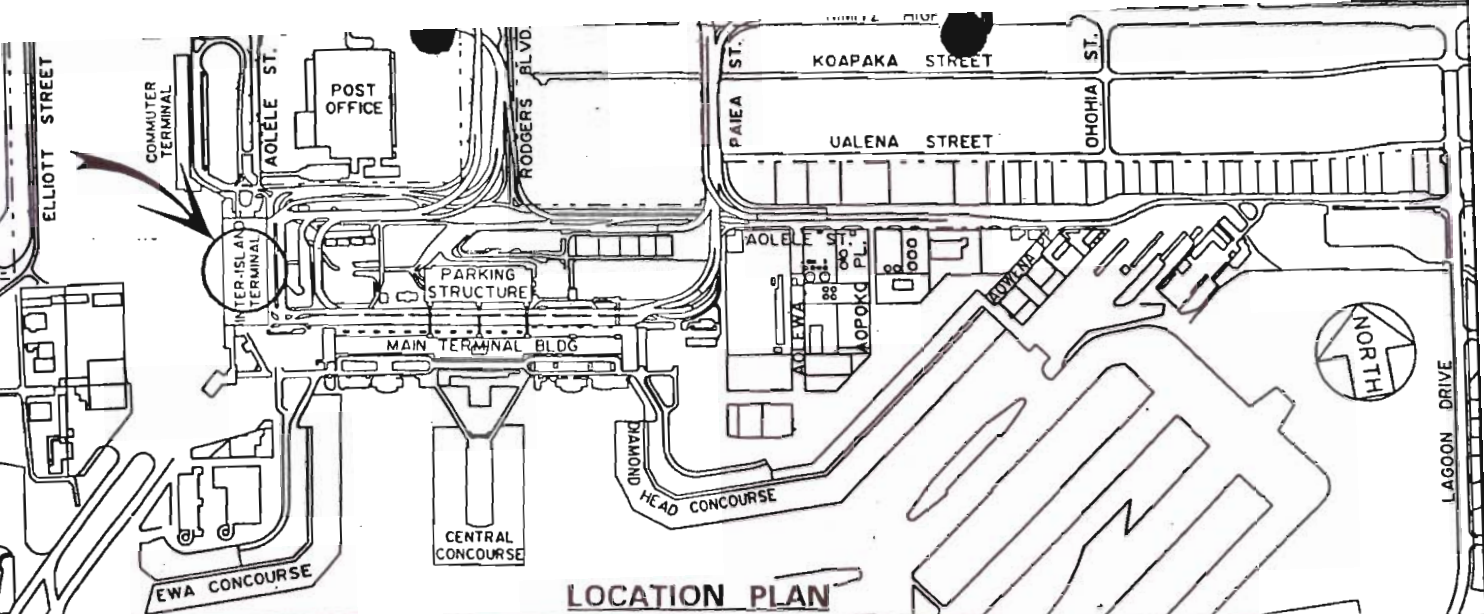
"AIRPORT"

PLAT 0

HONOLULU INTERNATIONAL AIRPORT

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DATE: OCTOBER, 2000

EXHIBIT: **B**

Airports Division

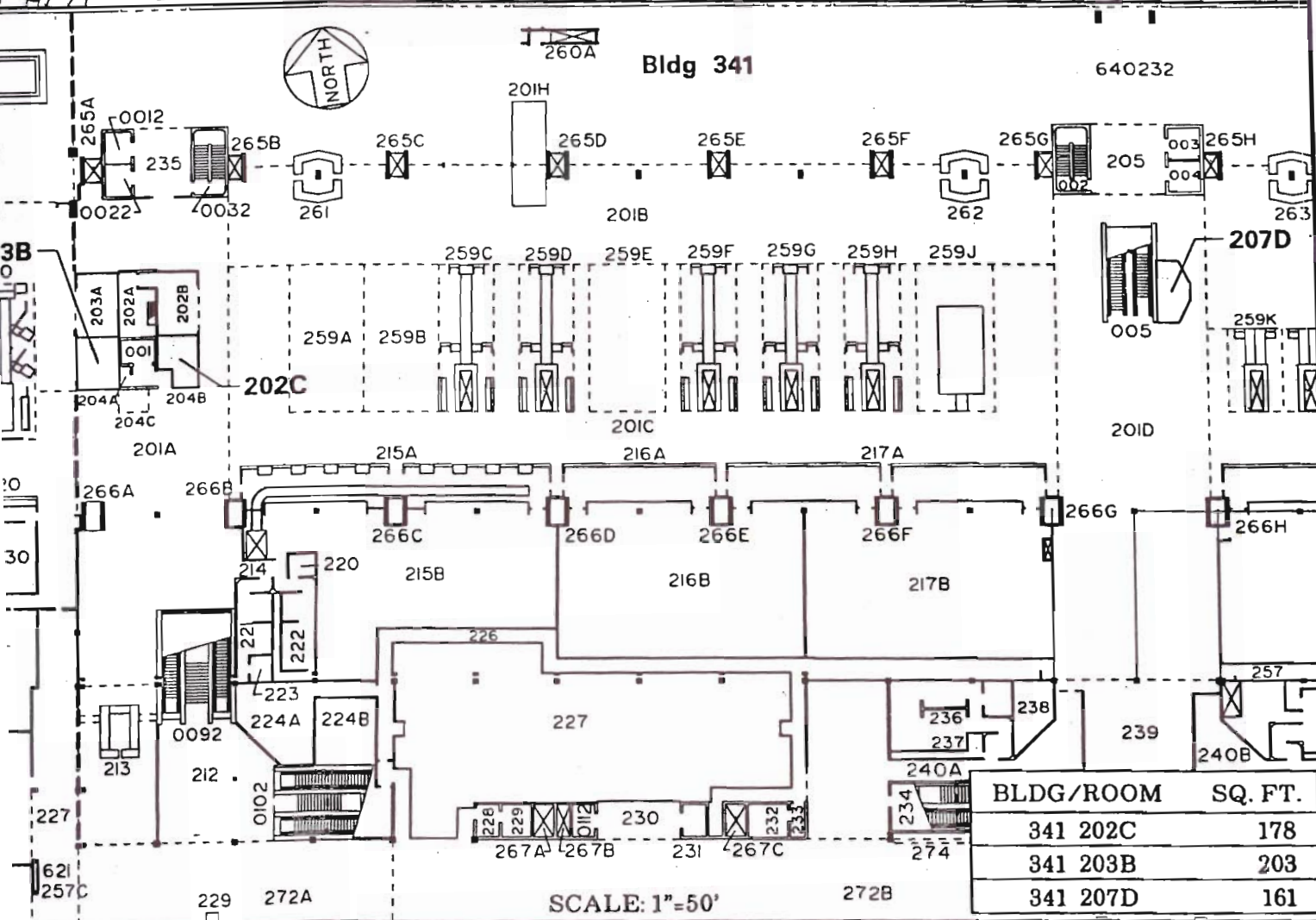
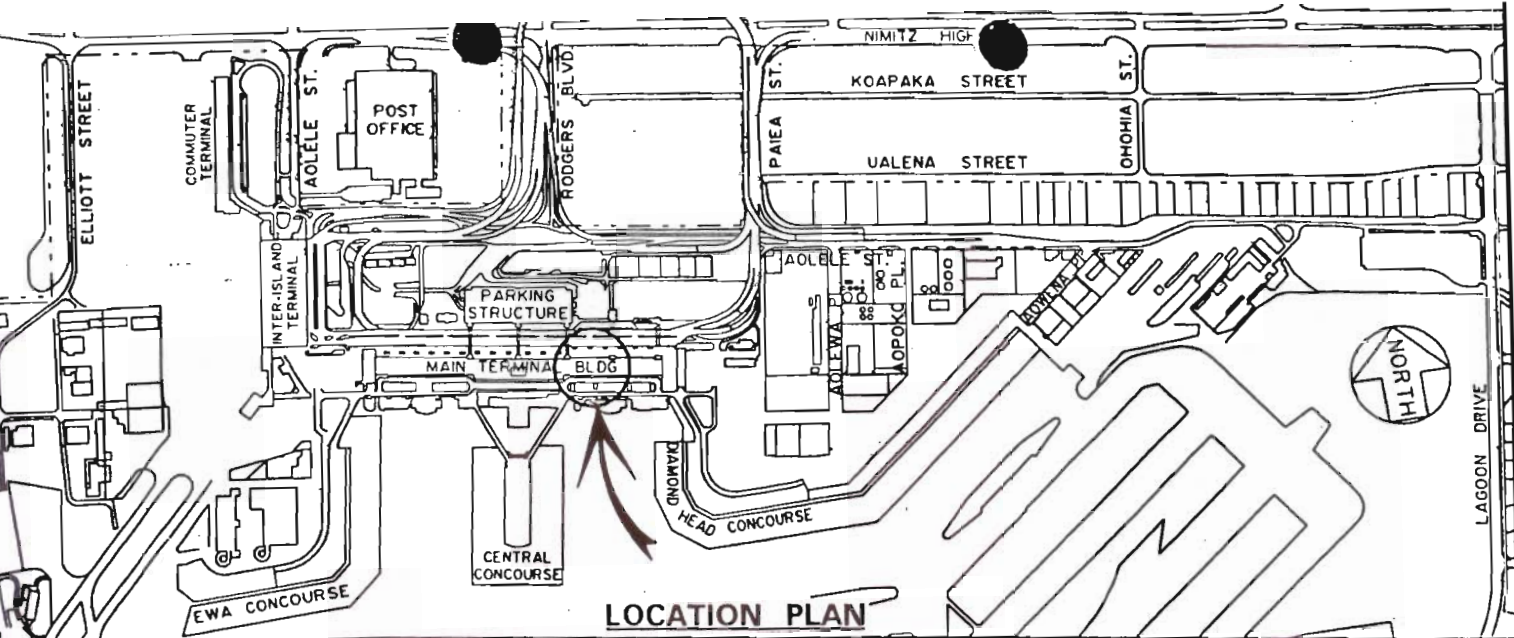
RETAIL  
CONCESSION

BLDG 310  
INTER-ISLAND  
TERMINAL COMPLEX  
SECOND LEVEL

310203A  
310203D  
PLAT E1

HONOLULU INTERNATIONAL AIRPORT

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DATE: OCTOBER, 2000

EXHIBIT: **C**



**RETAIL  
CONCESSION**

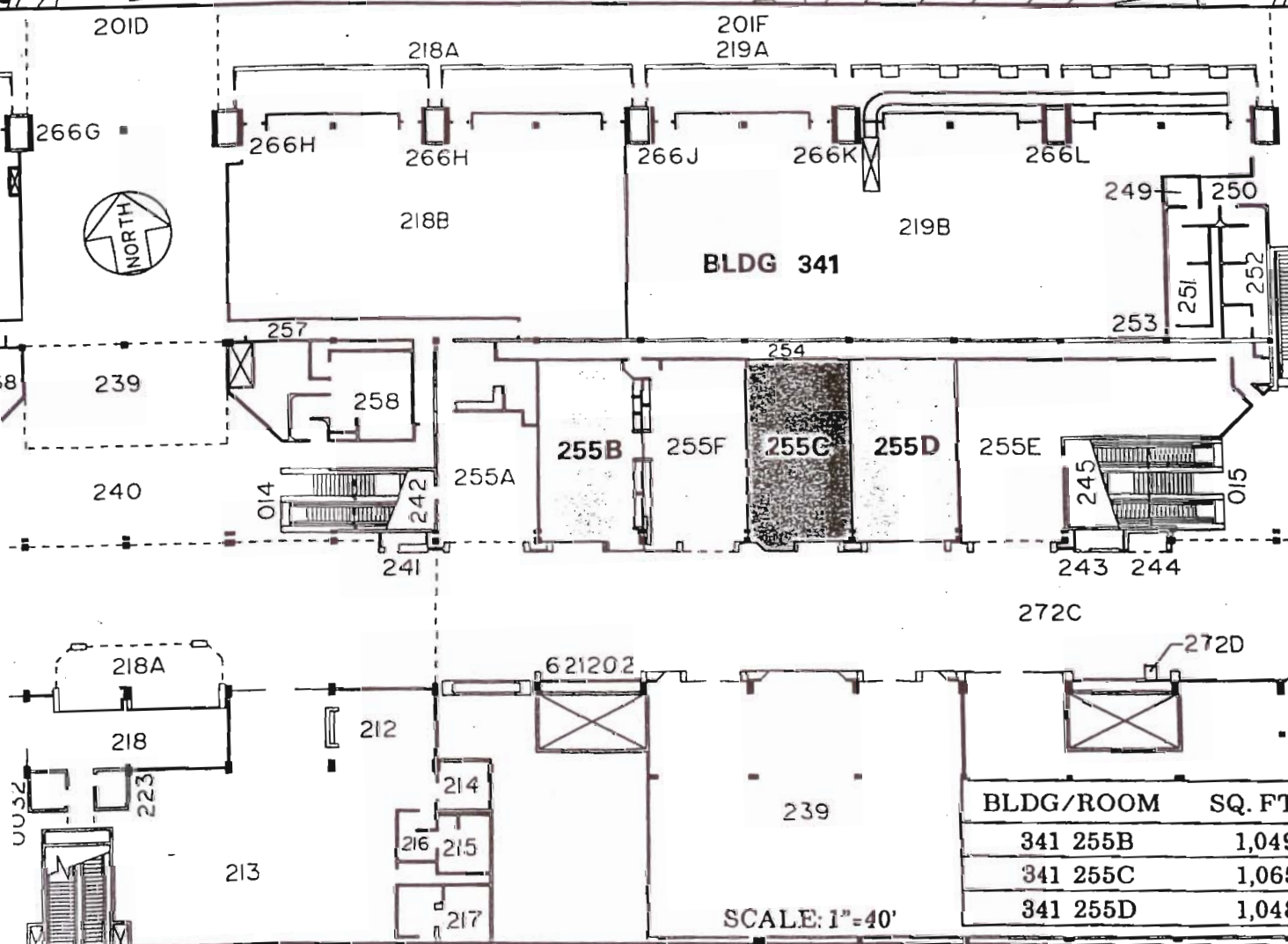
**BLDG 341  
DIAMOND HEAD  
TICKET LOBBY  
SECOND LEVEL**

**341202C  
341203B  
341207D  
PLAT A2**

**HONOLULU INTERNATIONAL AIRPORT**

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DATE: OCTOBER, 2000

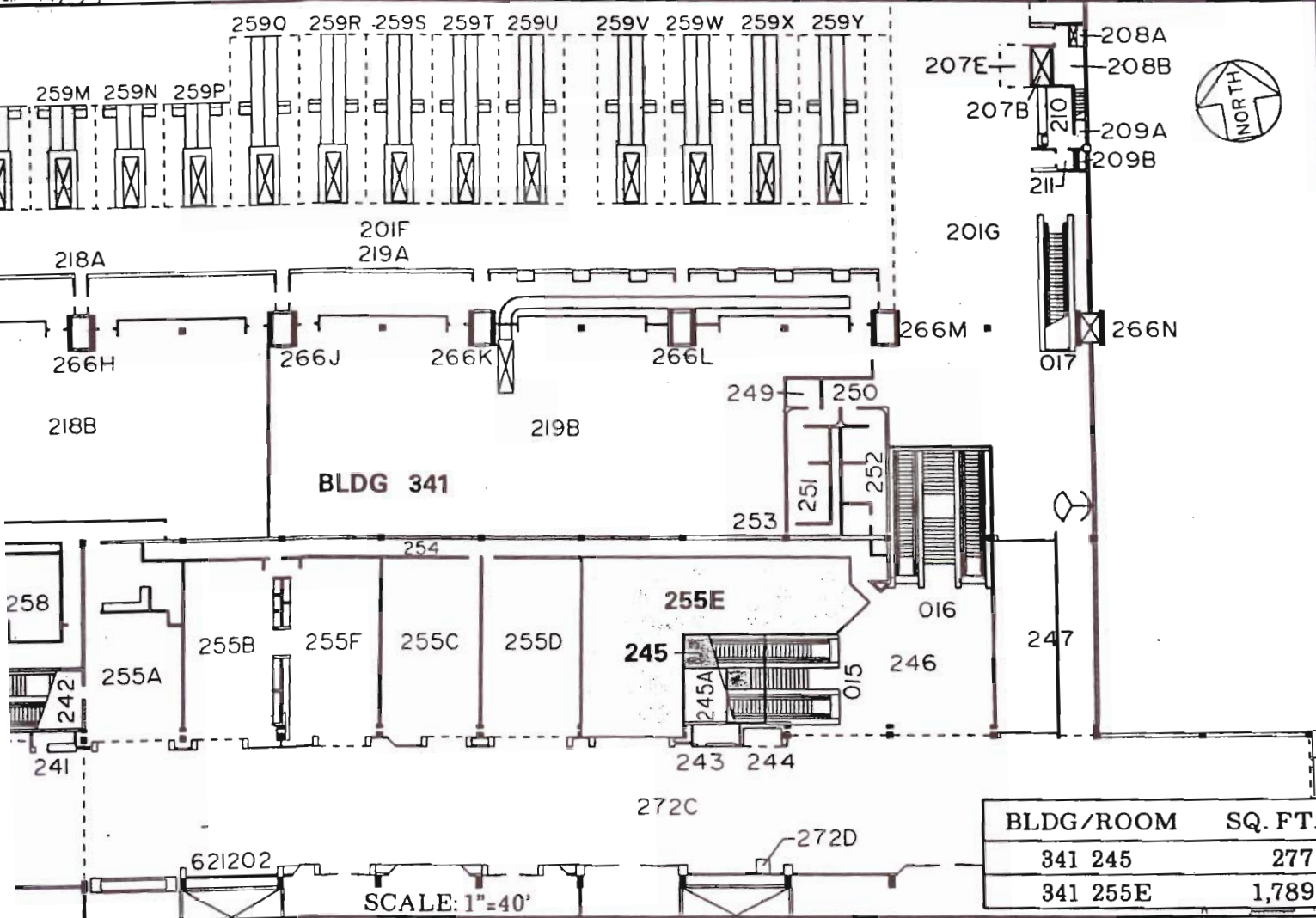
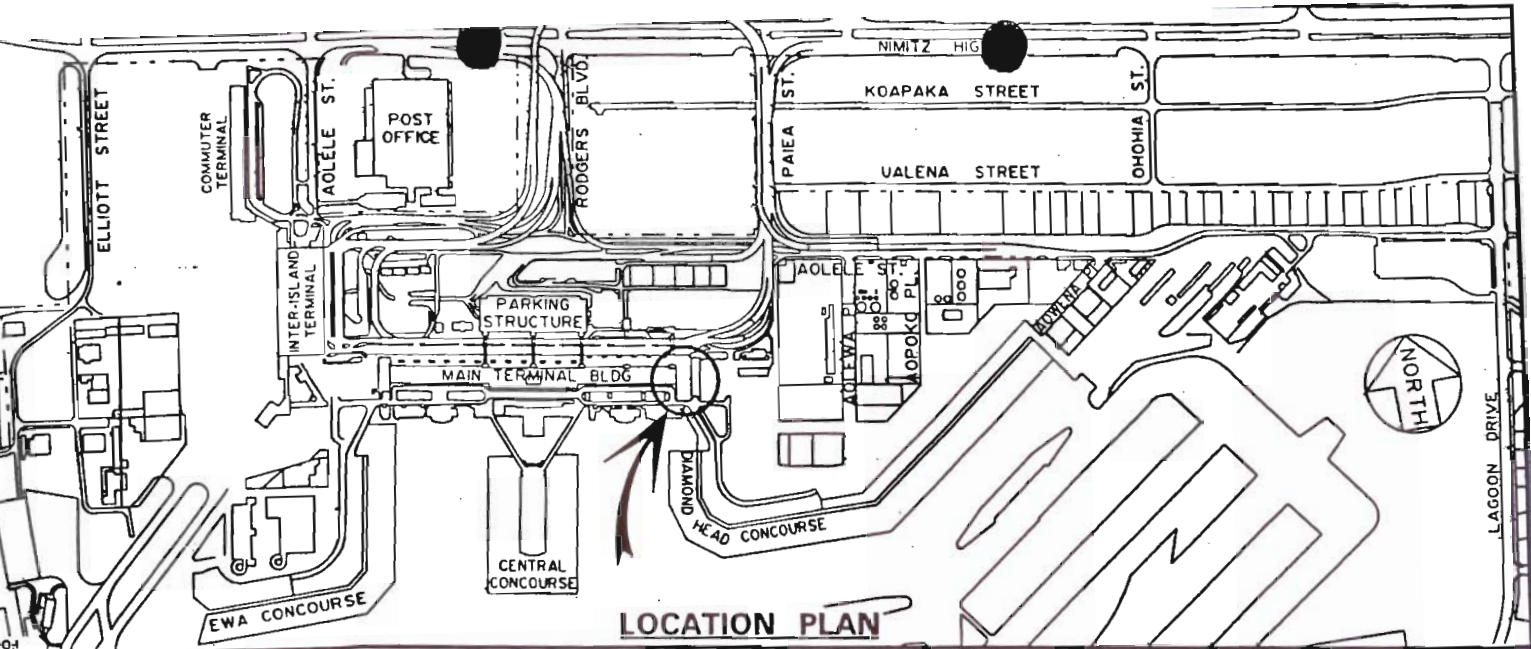
EXHIBIT: D

Airports Division

## RETAIL CONCESSION

BLDG 341  
D.H. EXTENSION  
SECOND LEVEL

341255B  
341255C  
341255D  
PLAT C



DATE: OCTOBER, 2000

EXHIBIT: **E**



Airports Division

RETAIL  
CONCESSION

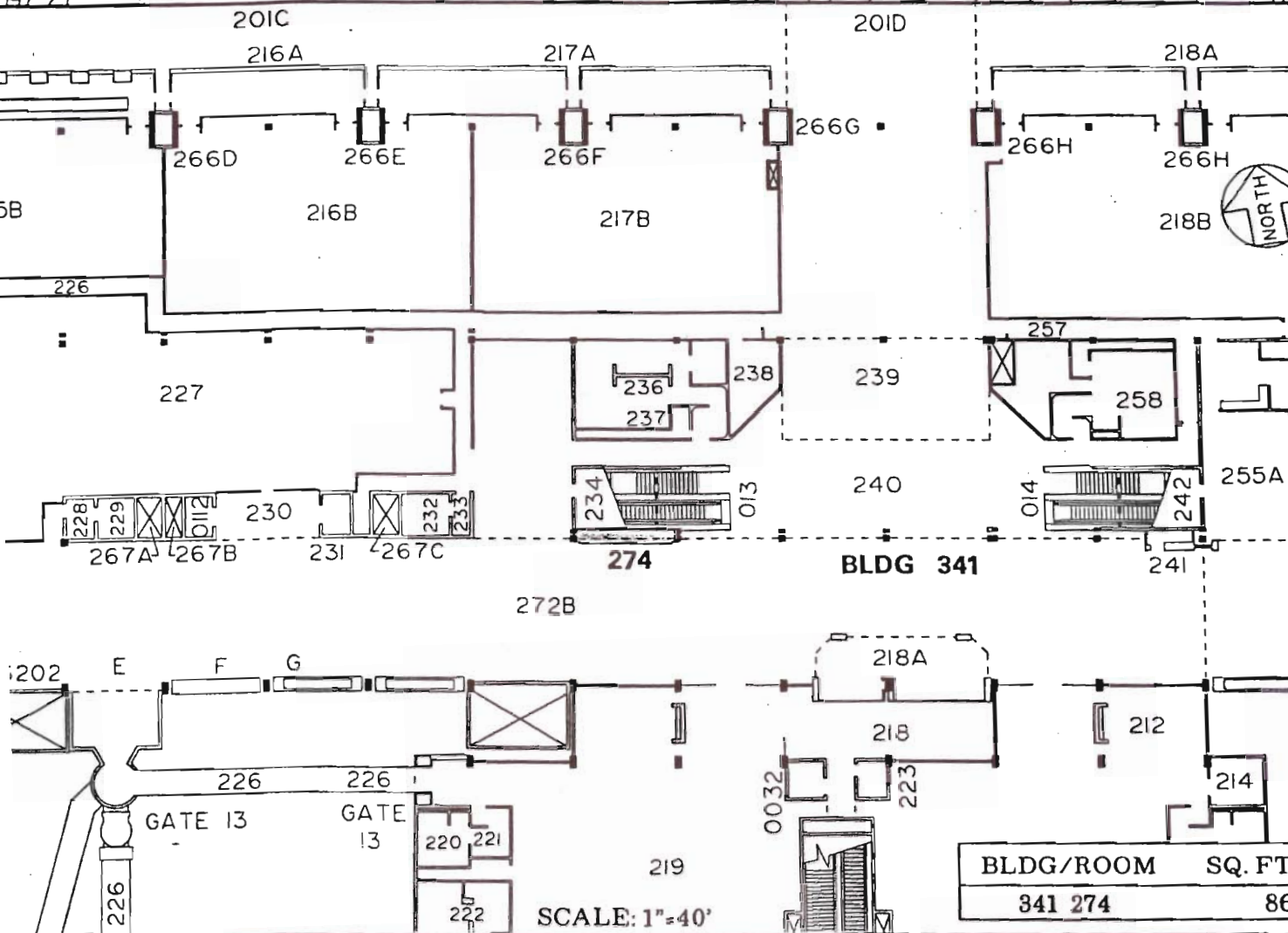
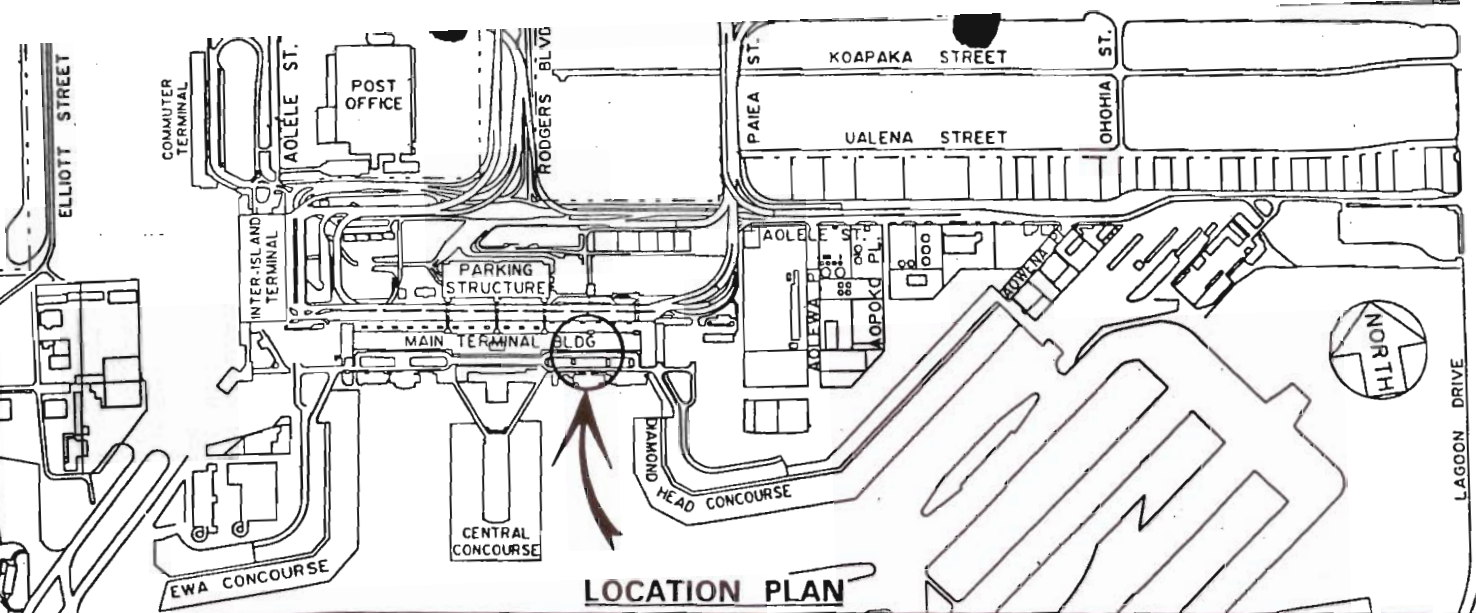
BLDG 341  
D.H. EXTENSION BLDG  
SECOND LEVEL

341245  
341255E  
PLAT C2

HONOLULU INTERNATIONAL AIRPORT

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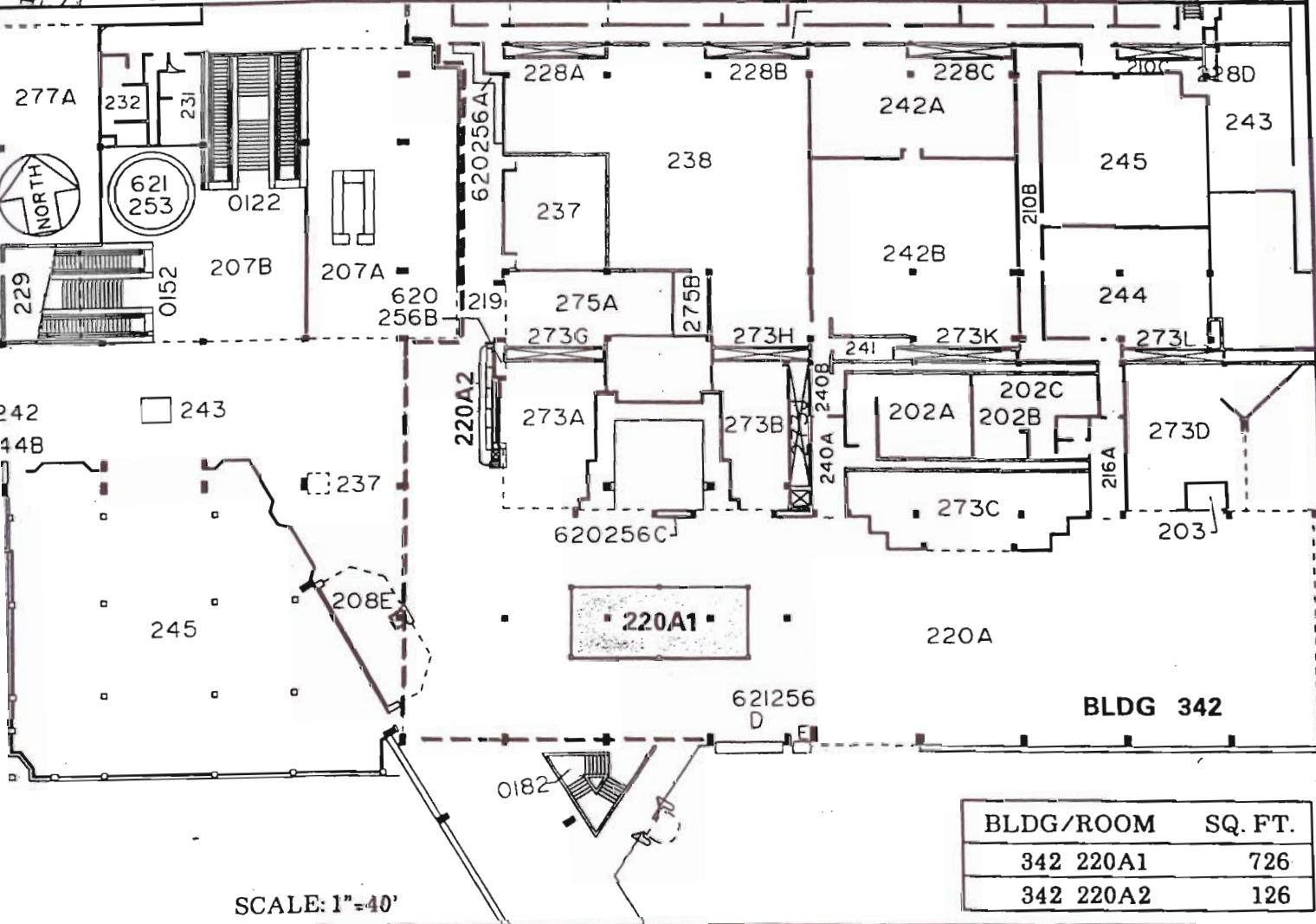
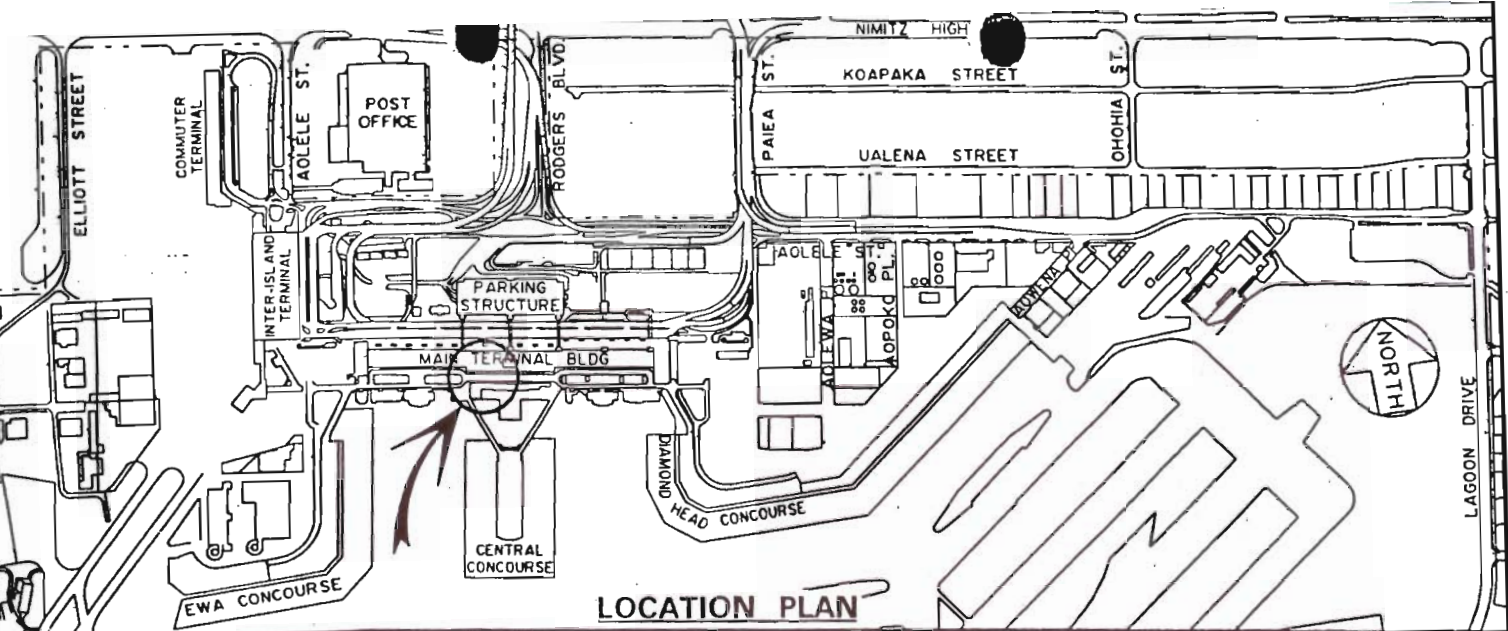


DATE: OCTOBER, 2000

EXHIBIT: F

<p>Airports Division</p>	<p>RETAIL CONCESSION</p>	<p>BLDG 341 DIAMOND HEAD EXTENSION SECOND LEVEL</p>	<p>341274 PLAT M</p>
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DATE: OCTOBER, 2000

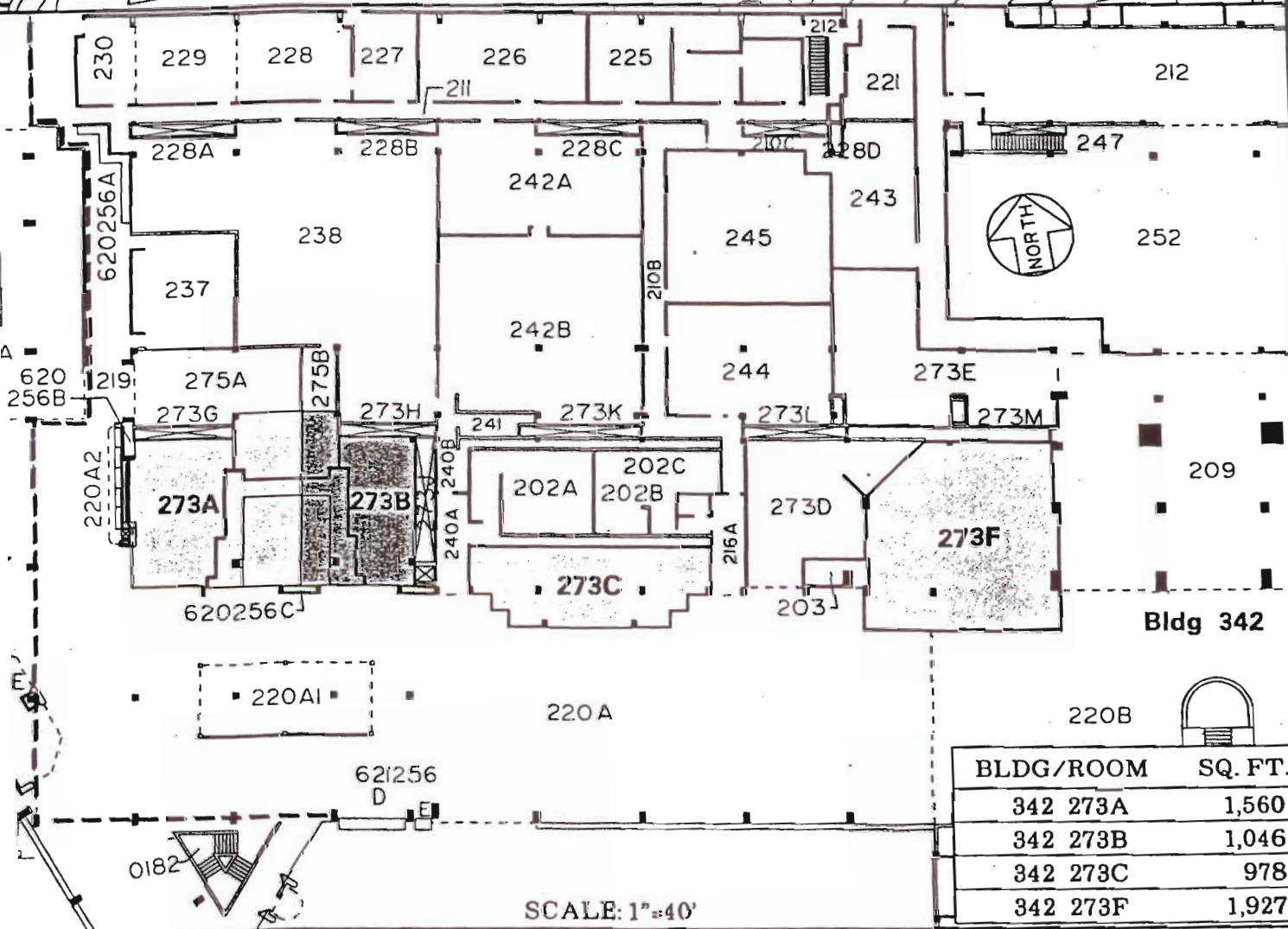
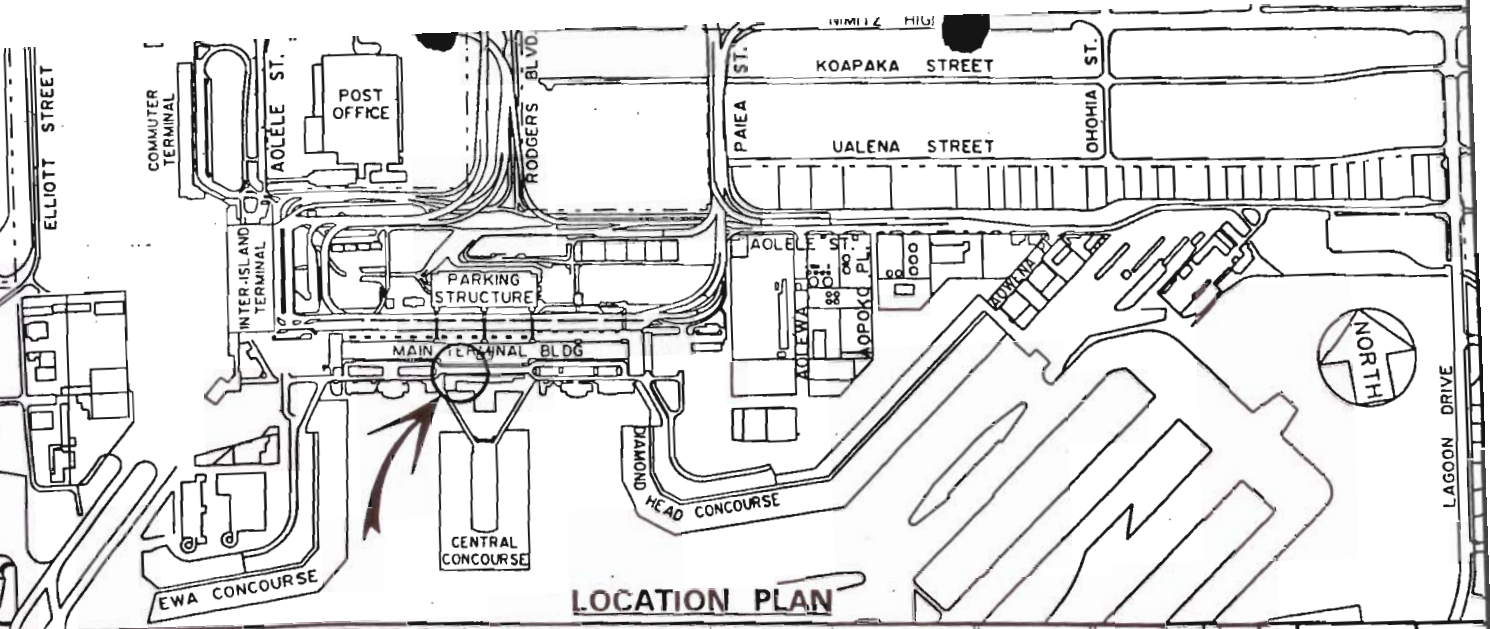
EXHIBIT: **G**



RETAIL  
CONCESSION

BLDG 342  
CENTRAL WAITING LOBBY  
SECOND LEVEL

342220A1  
342220A2  
PLAT A2



BLDG/ROOM	SQ. FT.
342 273A	1,560
342 273B	1,046
342 273C	978
342 273F	1,927

DATE: OCTOBER, 2000

EXHIBIT: H

Airports Division

RETAIL  
CONCESSION

BLDG 342  
CENTRAL WAITING LOBBY  
SECOND LEVEL

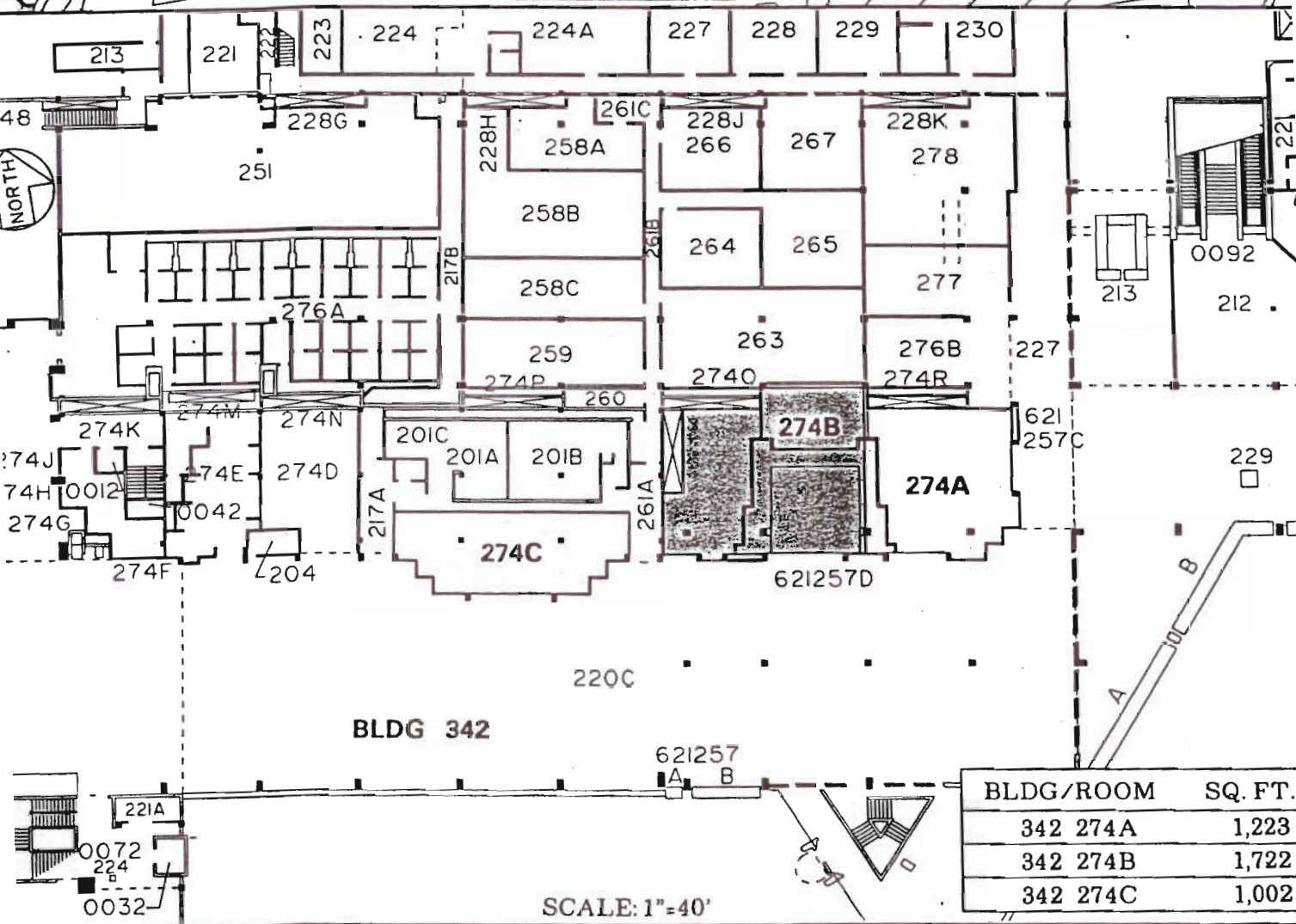
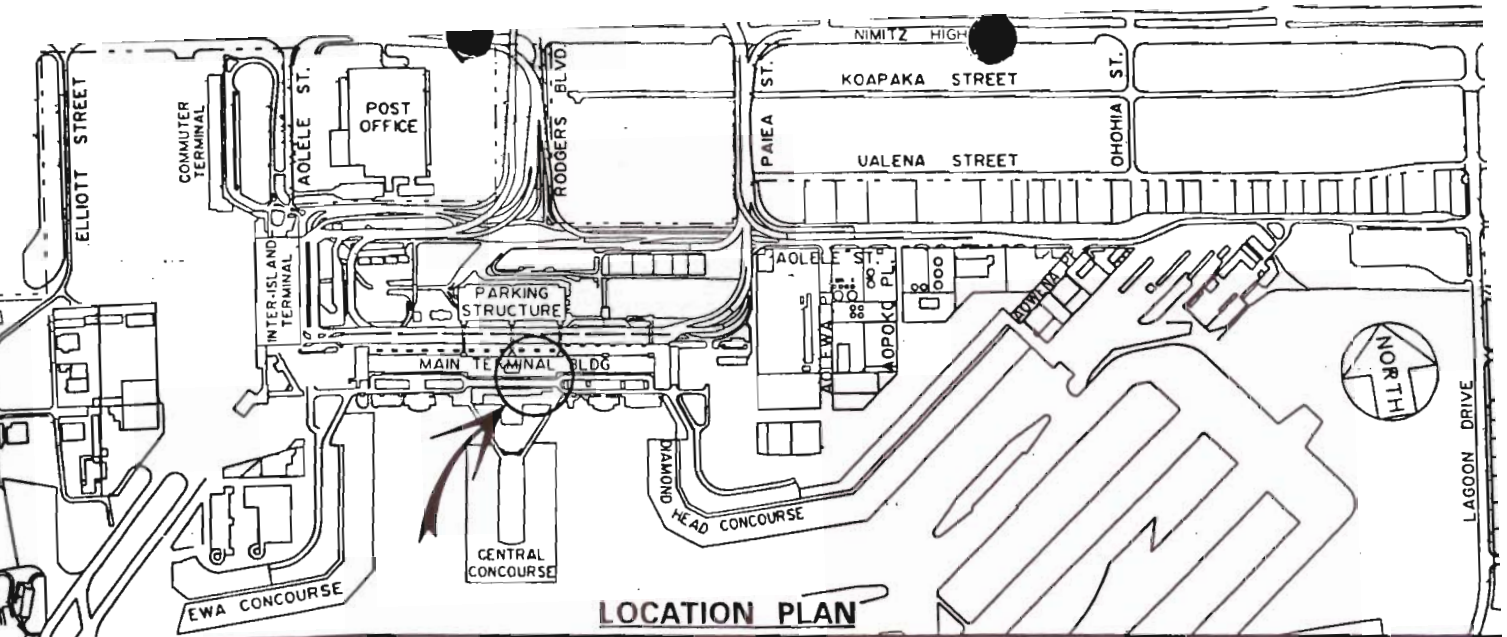
342273A, 342273B,  
342273C, 342273D

PLAT A2

HONOLULU INTERNATIONAL AIRPORT

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DATE : OCTOBER, 2000

EXHIBIT: I



Airports Division

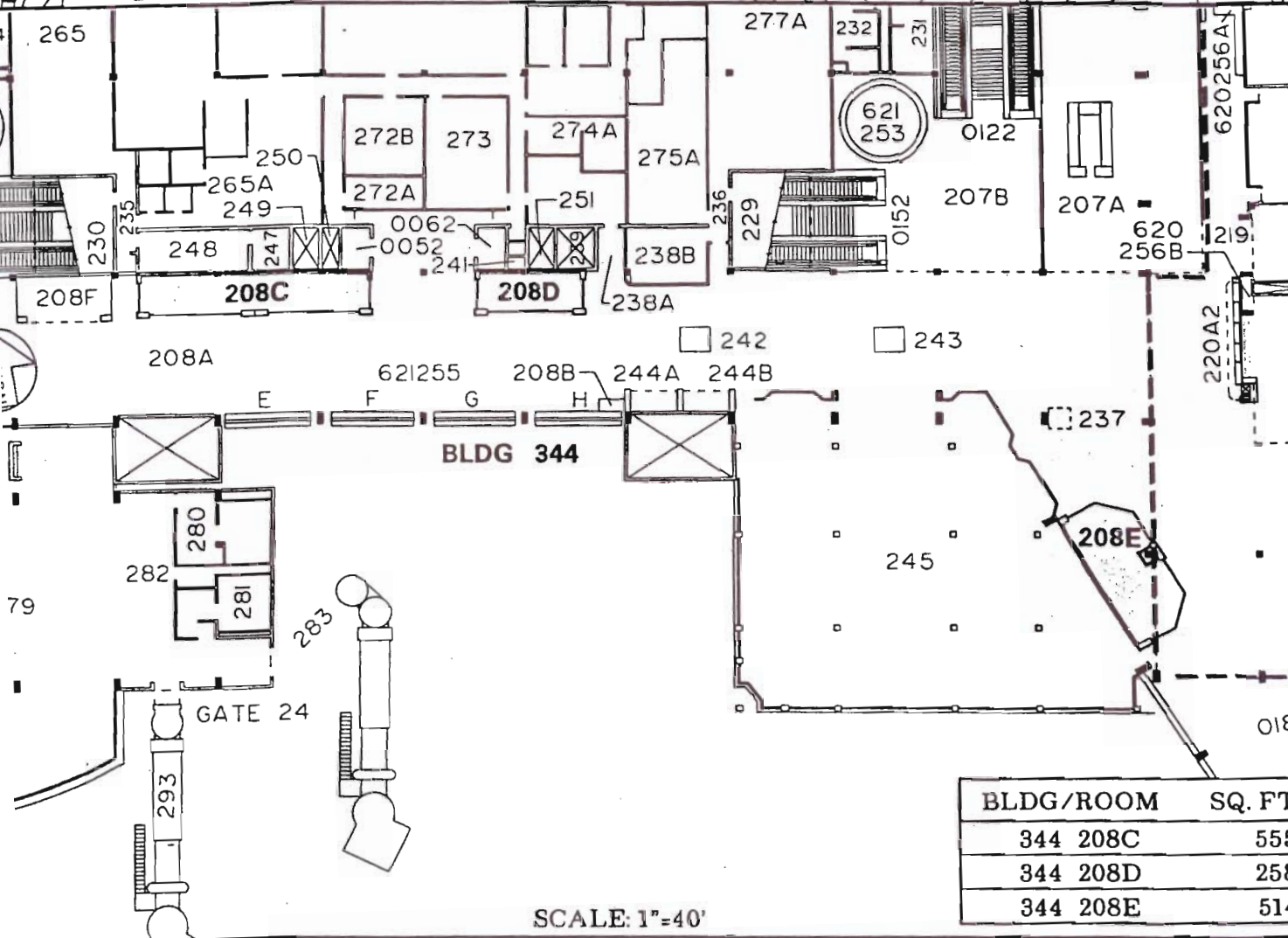
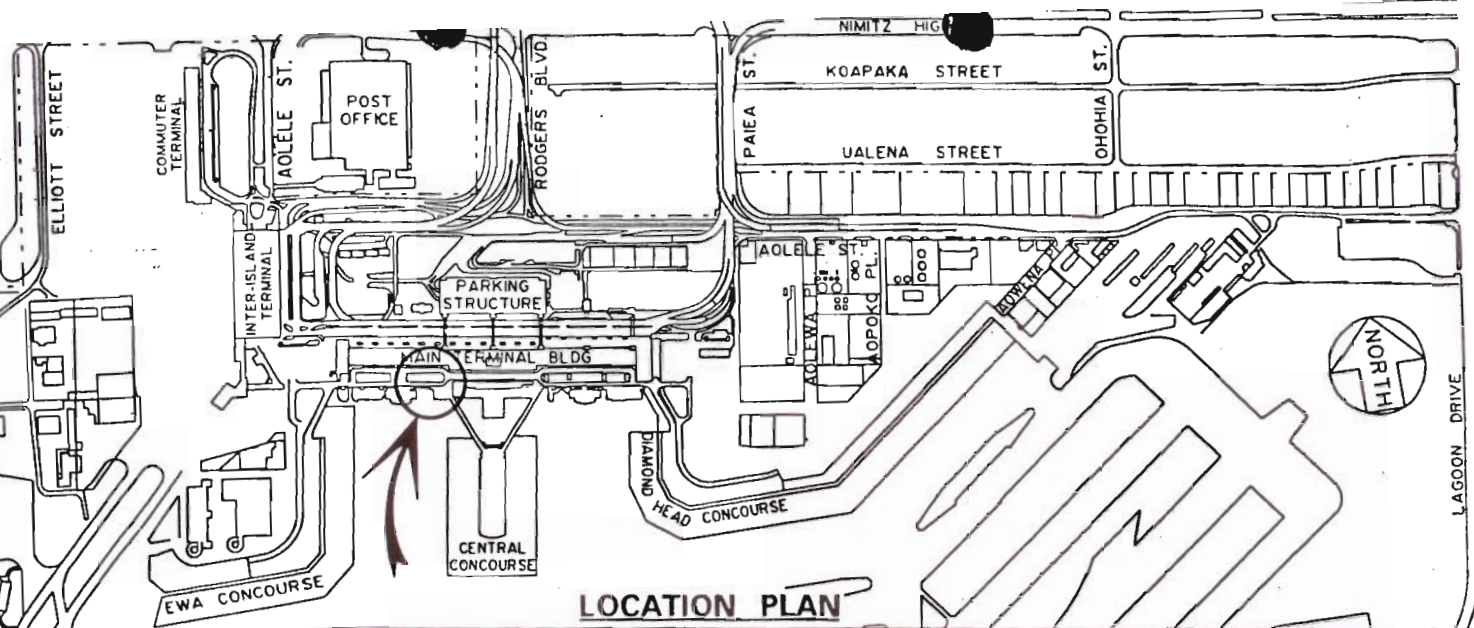
RETAIL  
CONCESSION

BLDG 342  
CENTRAL WAITING LOBBY  
SECOND LEVEL

342274A  
342274B  
342274C  
PLAT A2

HONOLULU INTERNATIONAL AIRPORT

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DATE: OCTOBER, 2000

EXHIBIT: J



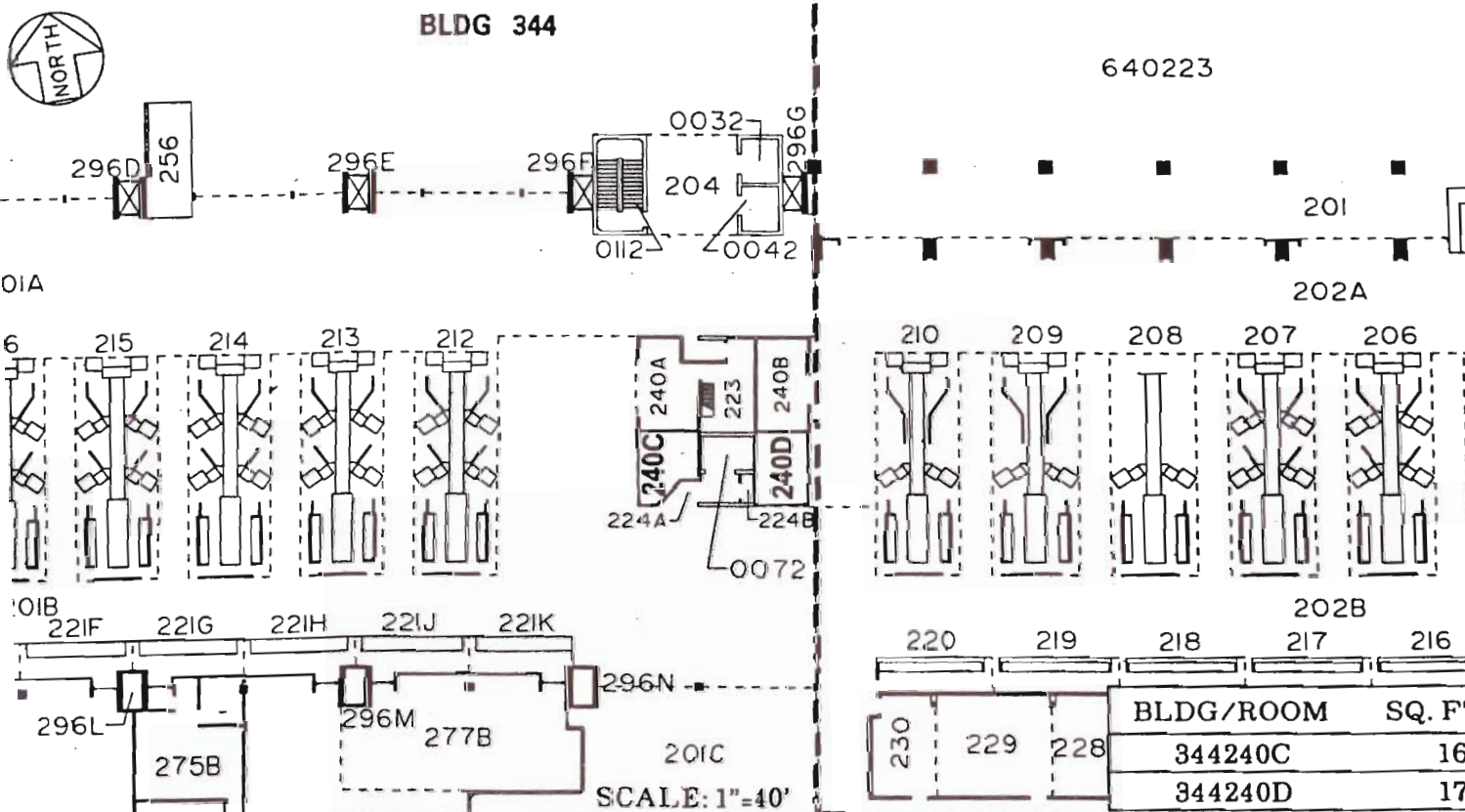
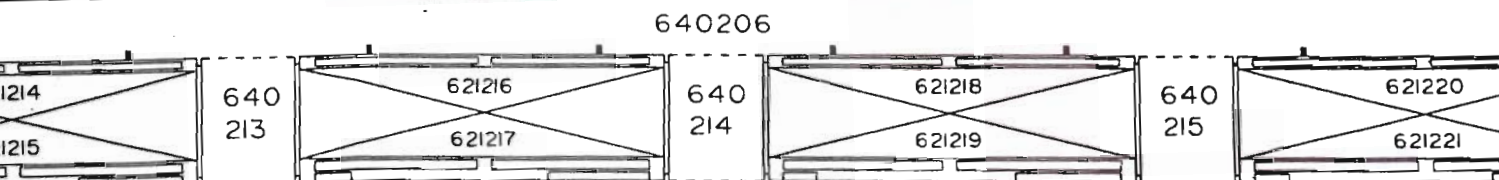
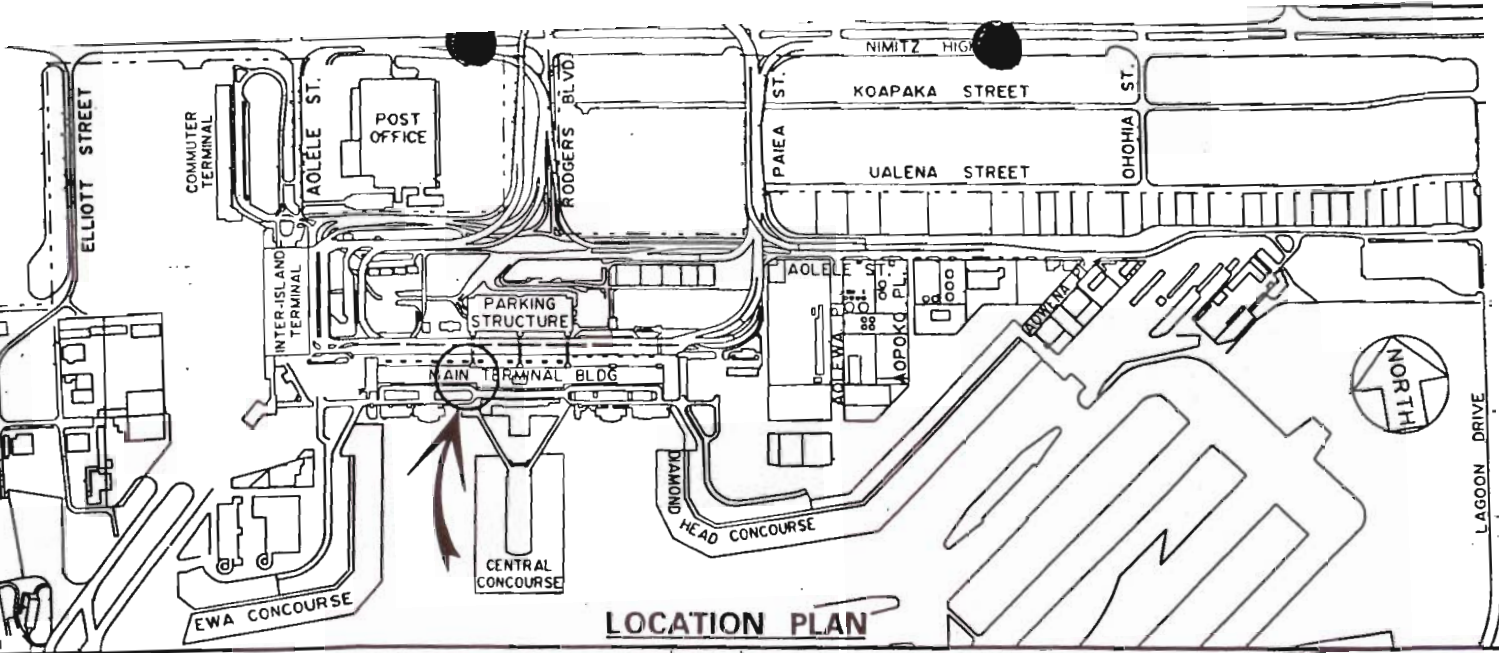
Airports Division

RETAIL  
CONCESSION

BLDG 344  
EWA EXTENSION DOMESTIC  
SECOND LEVEL

344208C  
344208D  
344208E  
PLAT A





DATE: OCTOBER, 2000

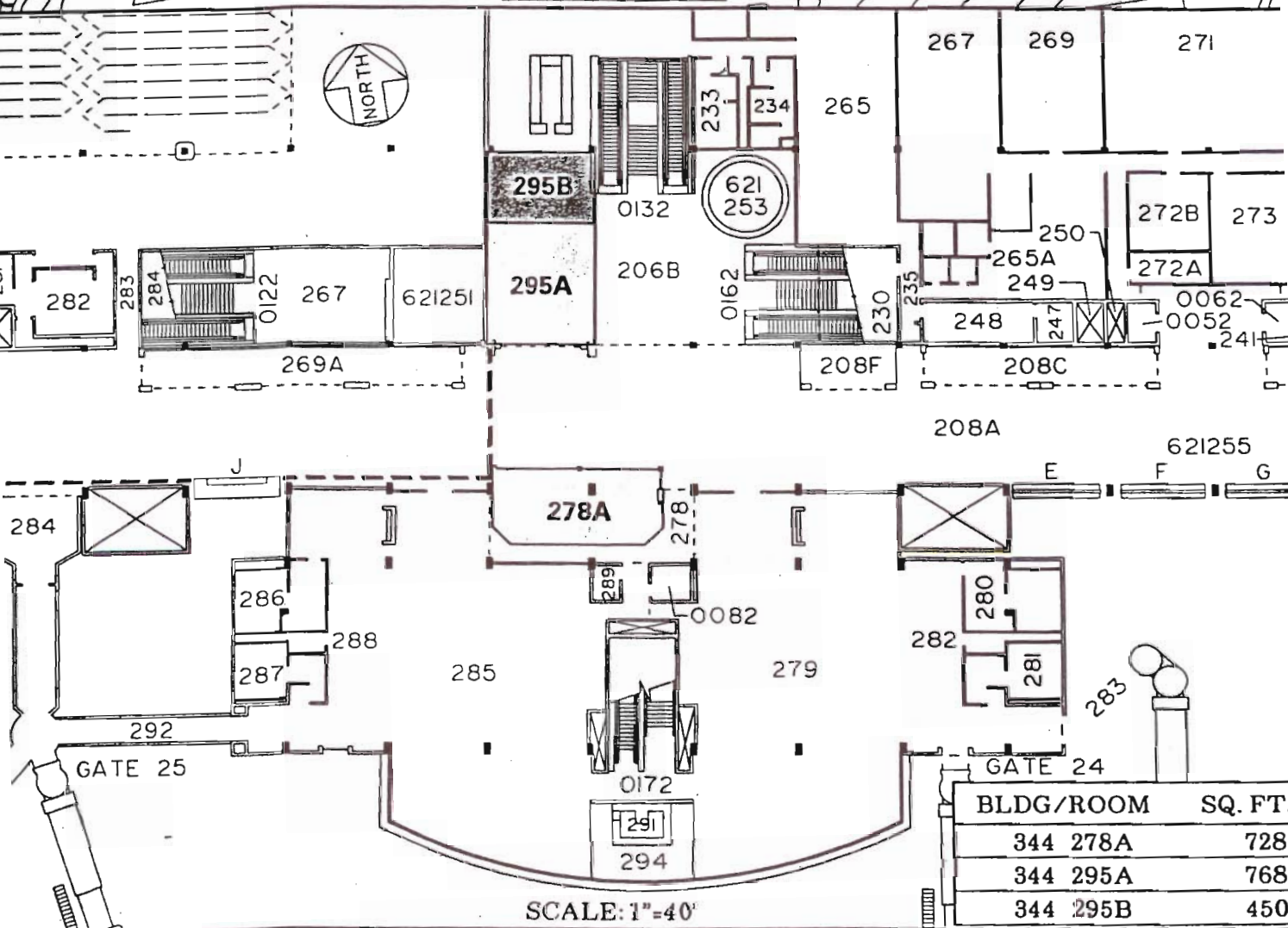
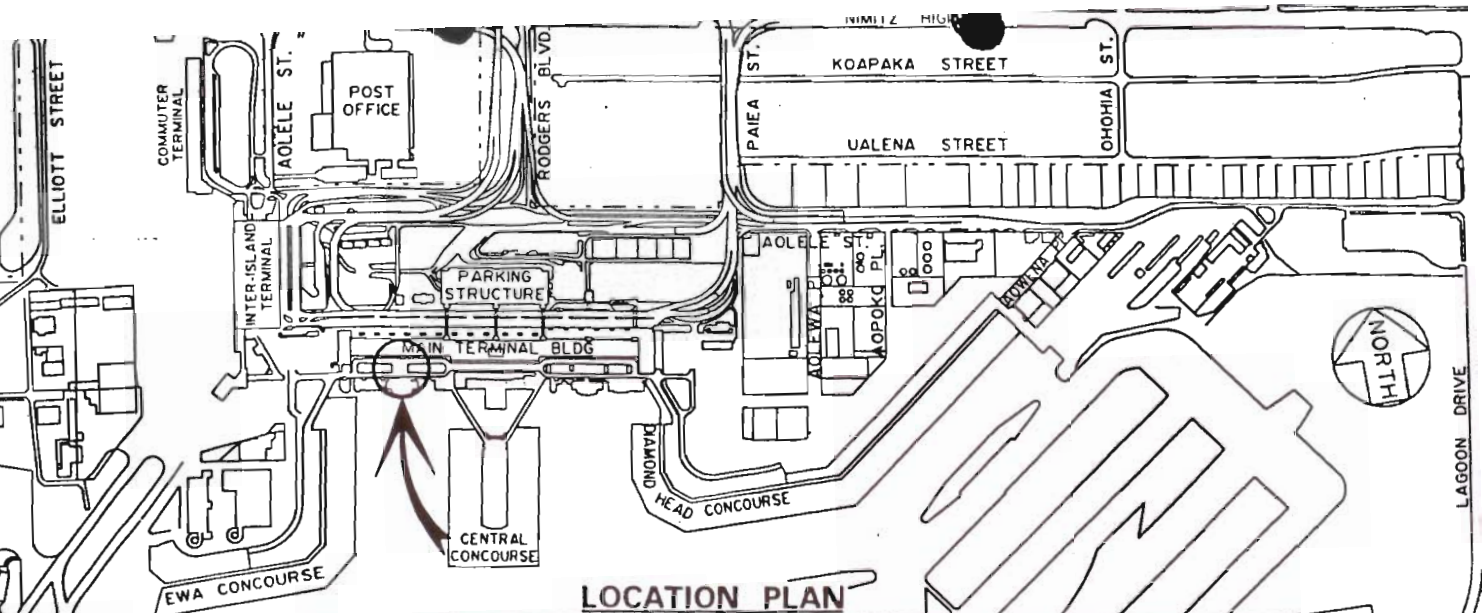
EXHIBIT: **K**



**RETAIL  
CONCESSION**

**BLDG 344  
EWA EXTENSION DOMESTIC  
SECOND LEVEL**

**344240C  
344240D  
PLAT A**



DATE: OCTOBER, 2000

EXHIBIT: L

Airports Division

RETAIL  
CONCESSION

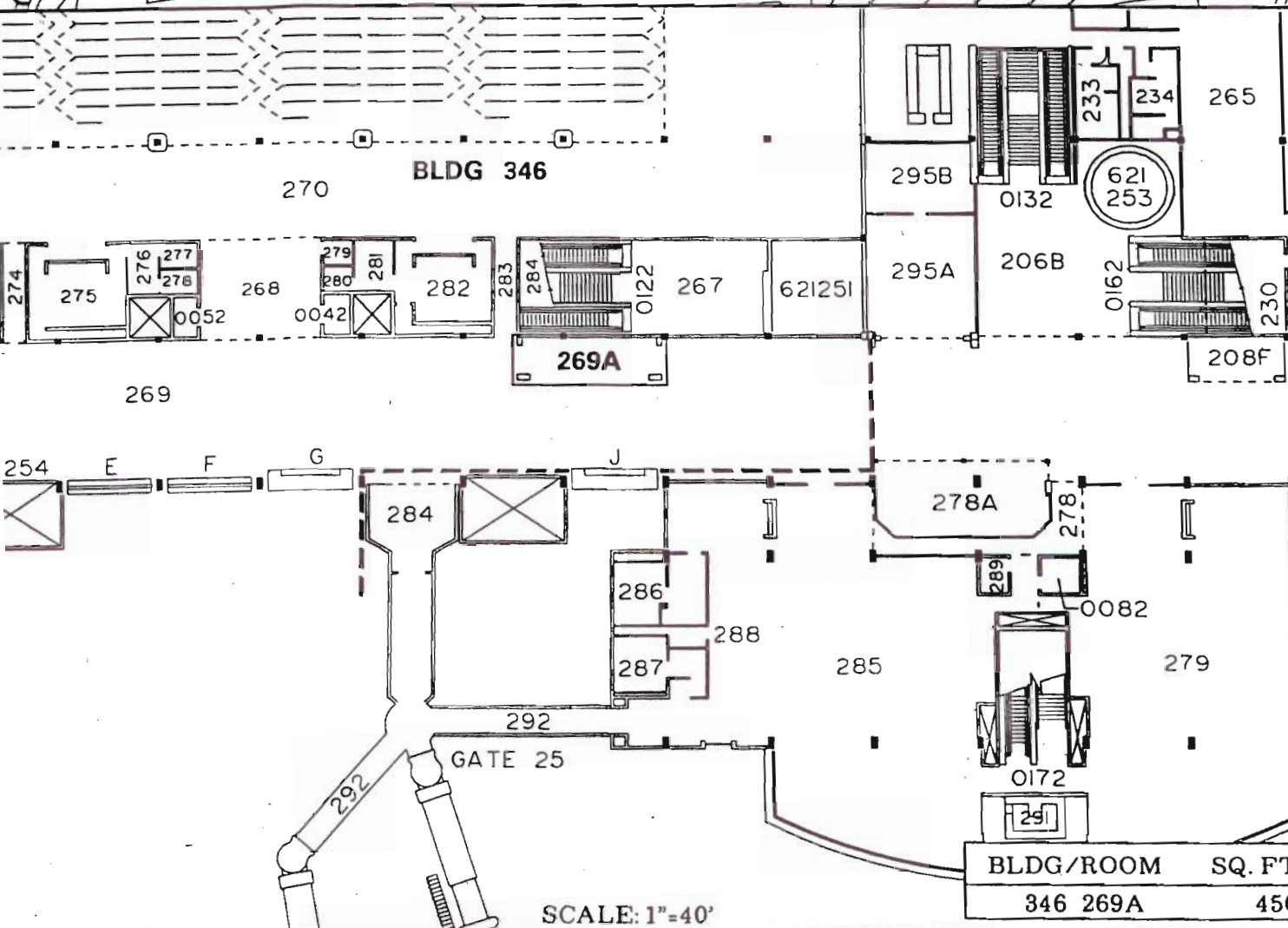
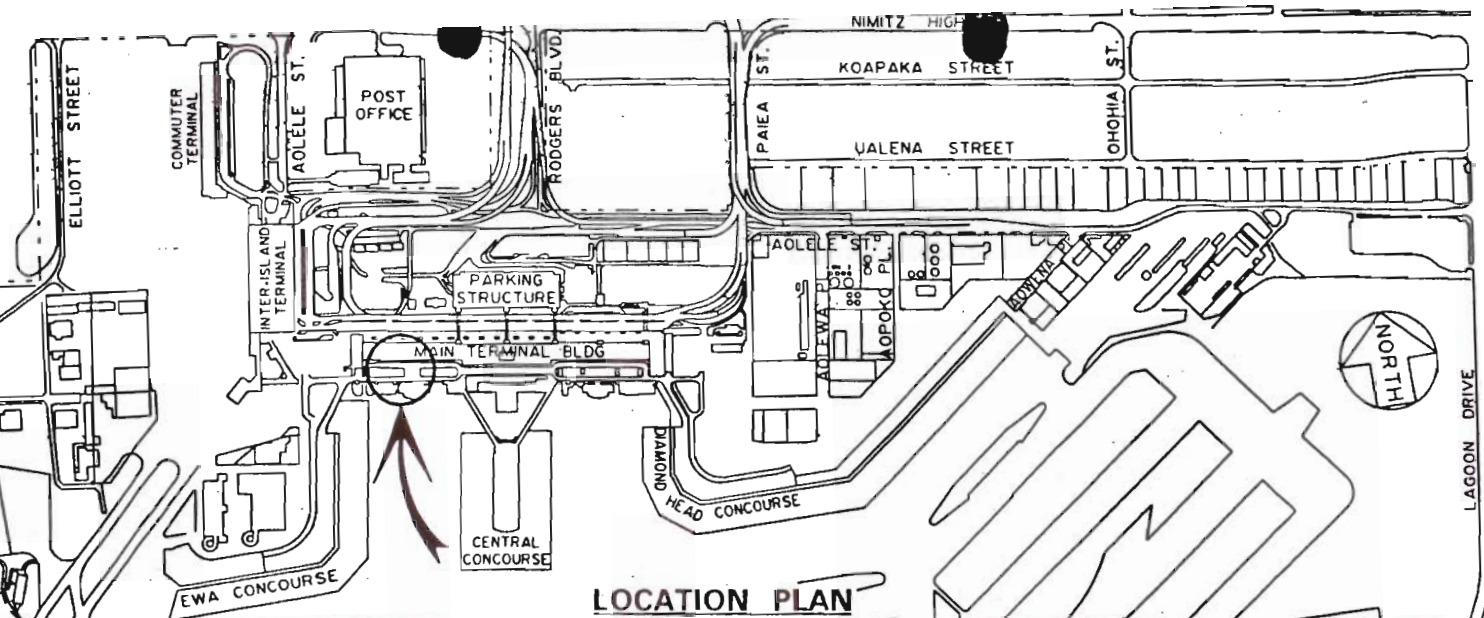
BLDG 344  
EWA EXTENSION DOMESTIC  
SECOND LEVEL

344278A  
344295A  
344295B  
PLAT A

HONOLULU INTERNATIONAL AIRPORT

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DATE: OCTOBER, 2000

EXHIBIT: **M**



Airports Division

**RETAIL  
CONCESSION**

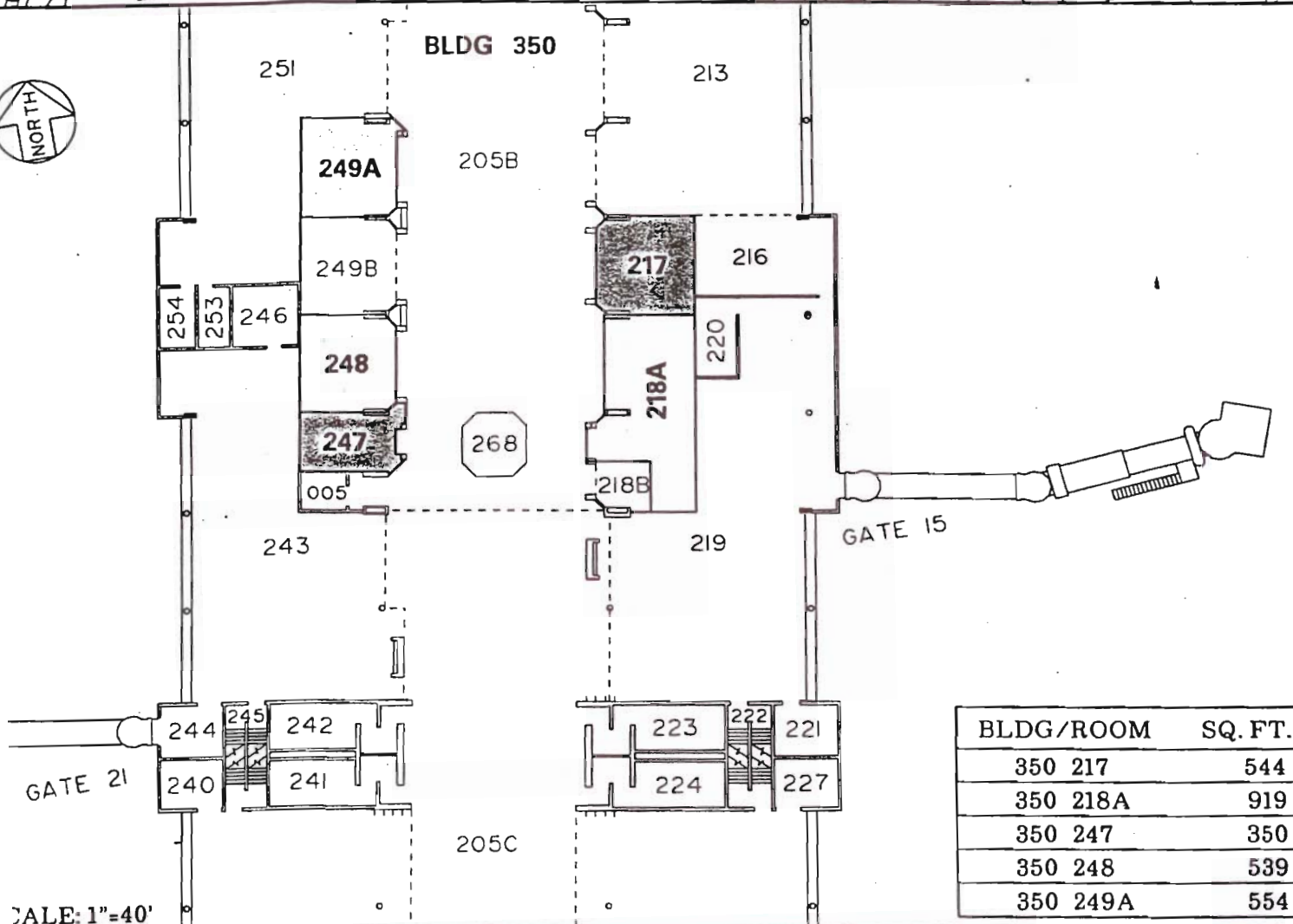
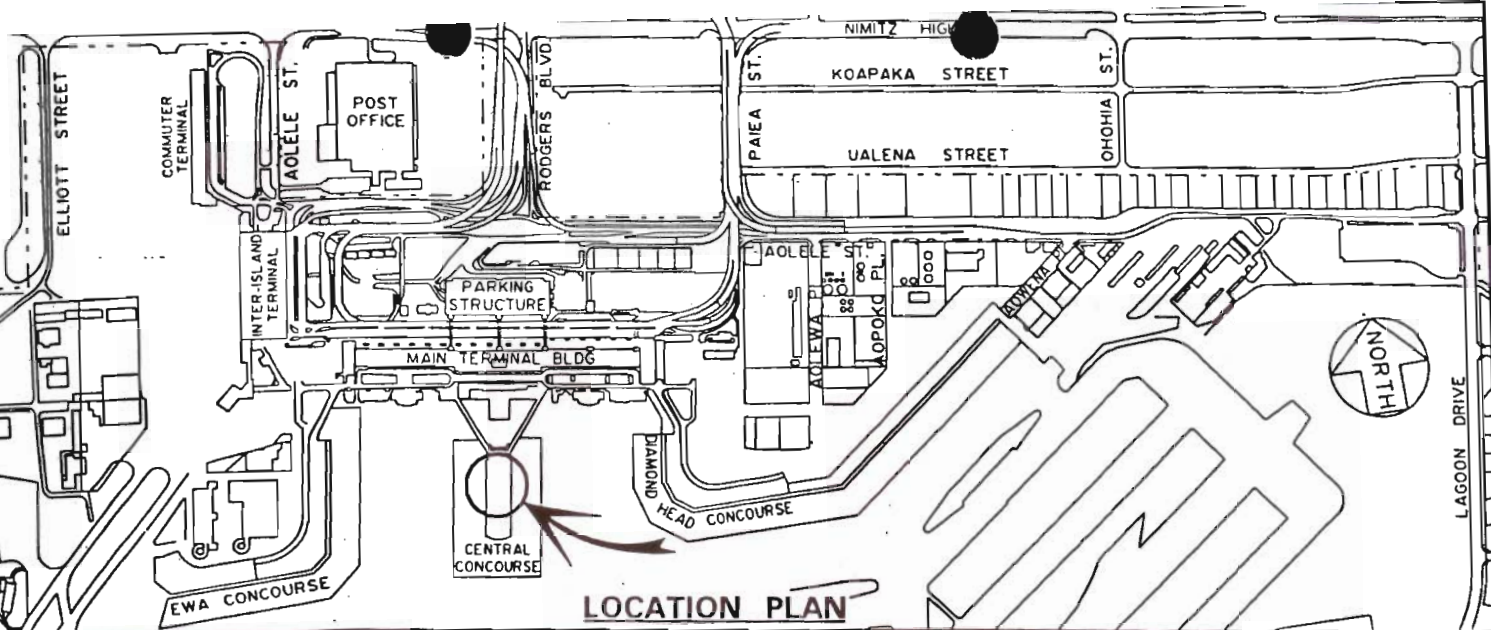
**BLDG 346  
INTL ARRIVAL BLDG  
SECOND LEVEL**

**346269A**

**PLAT A**

**HONOLULU INTERNATIONAL AIRPORT**

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DATE: OCTOBER, 2000

EXHIBIT: **N**

	Airports Division	RETAIL CONCESSION	BLDG 350 CENTRAL CONCOURSE SECOND LEVEL	350217, 350218A 350247, 350248 350249A PLAT B2
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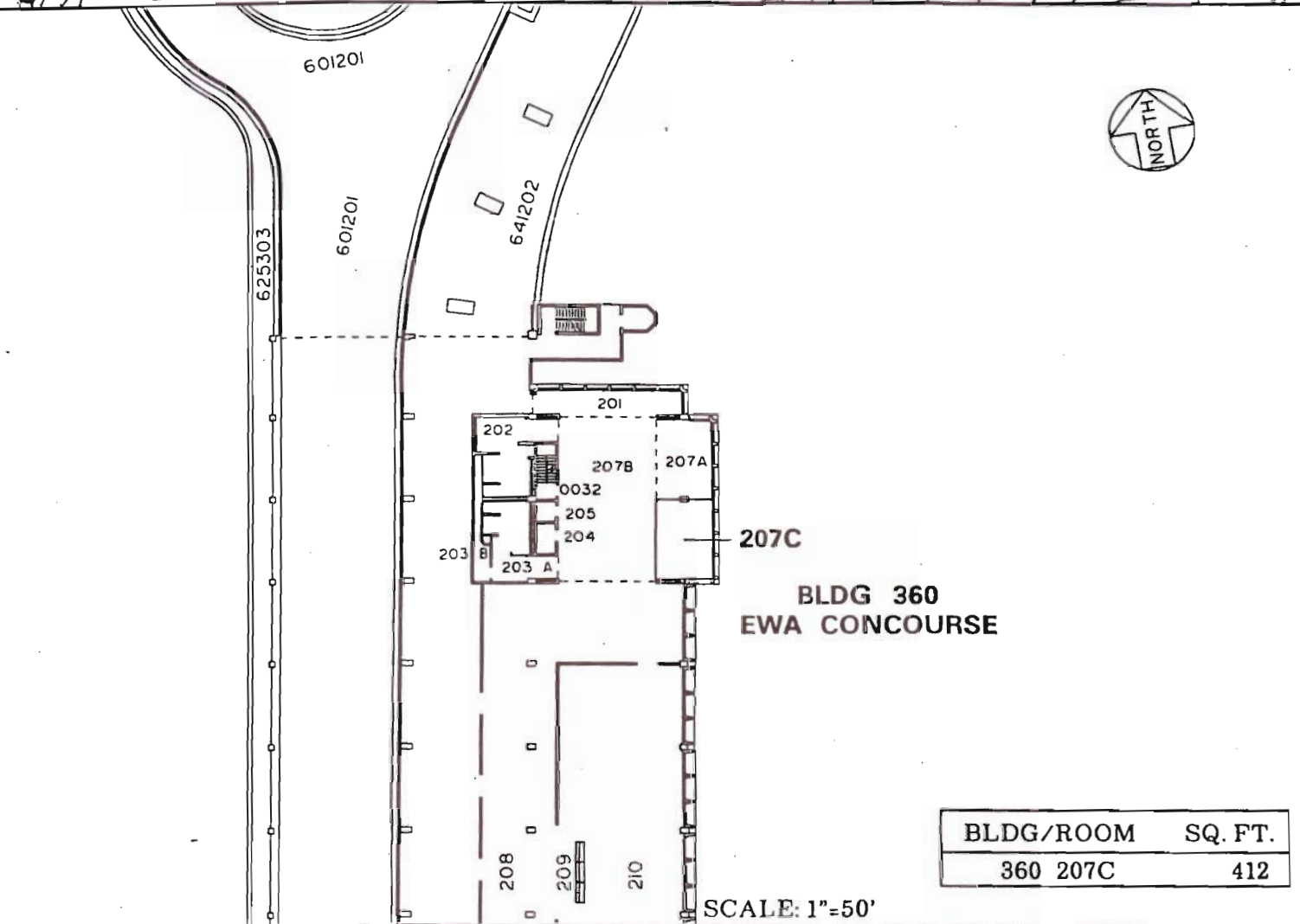
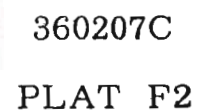
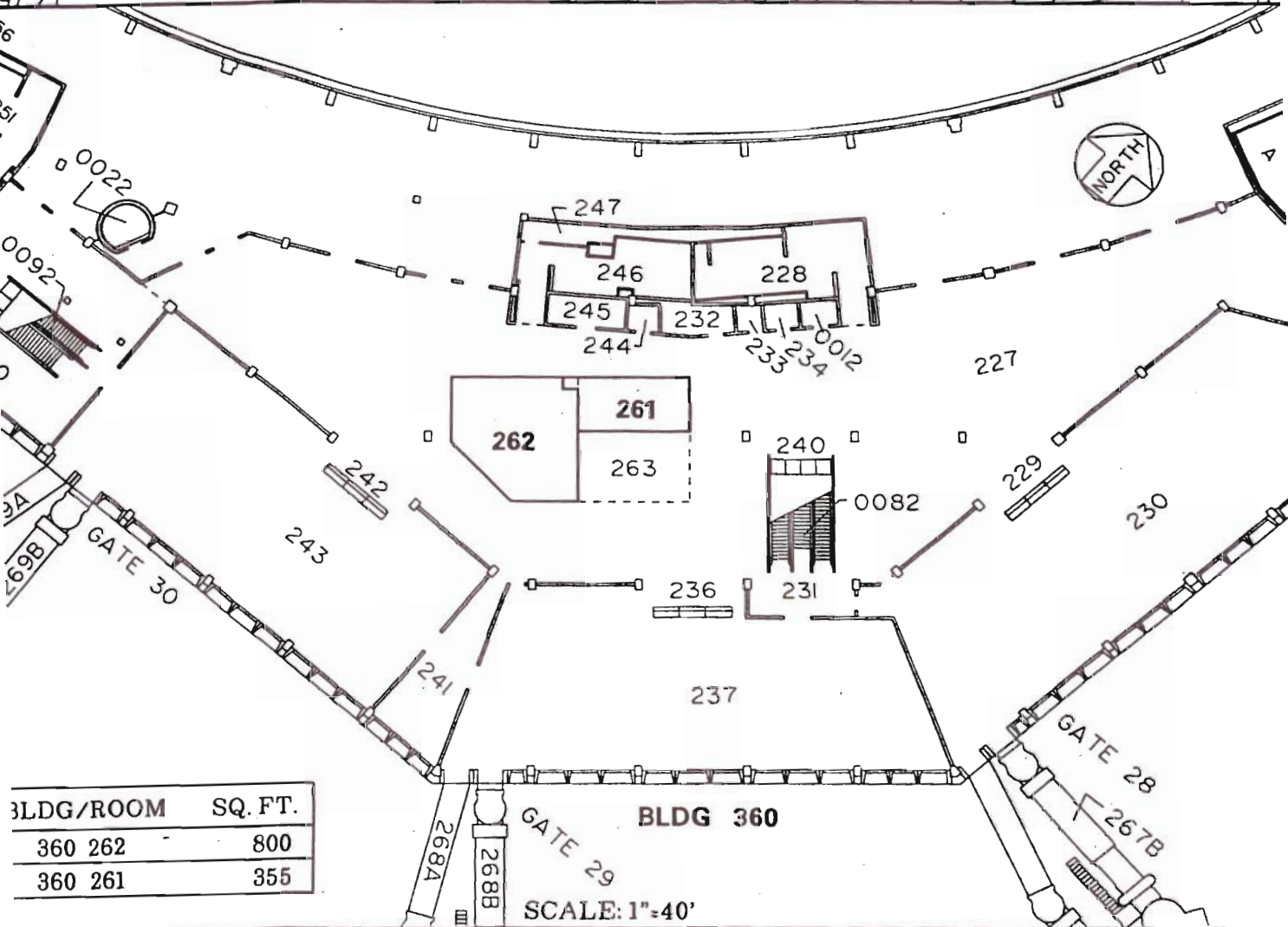
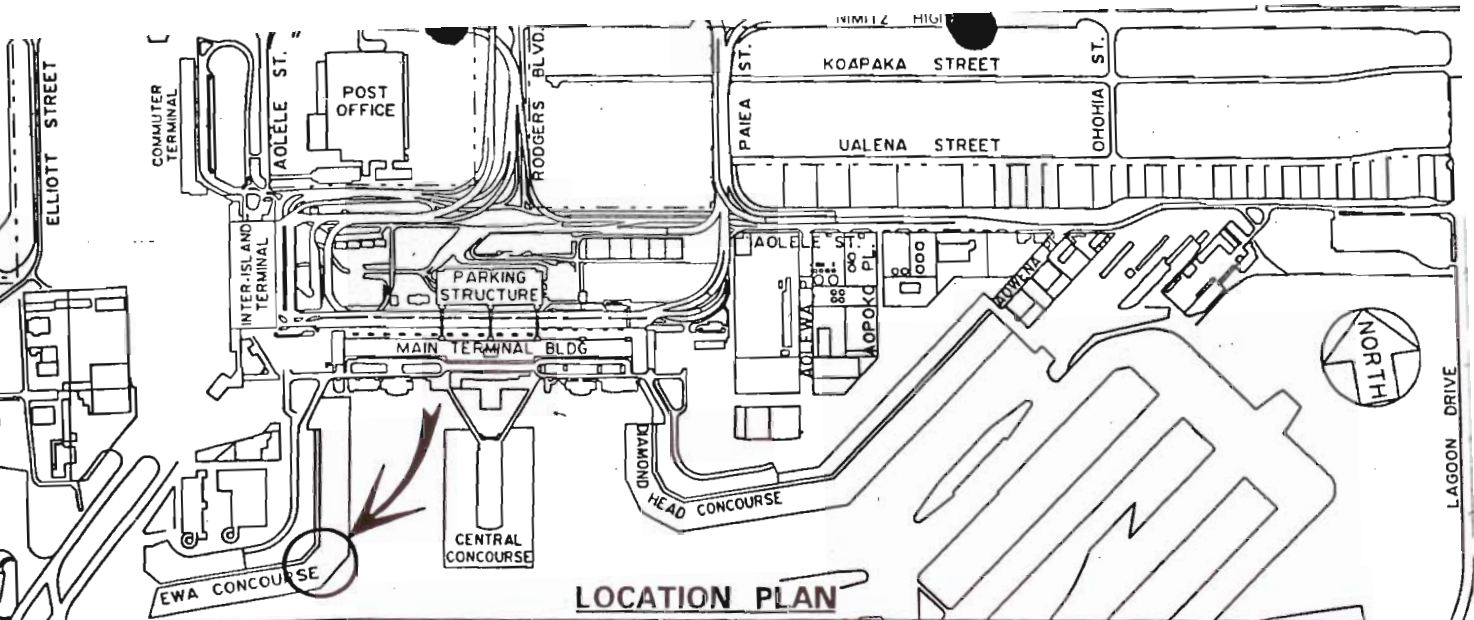


EXHIBIT: C





BLDG/ROOM	SQ. FT.
360 262	800
360 261	355

DATE: OCTOBER, 2000

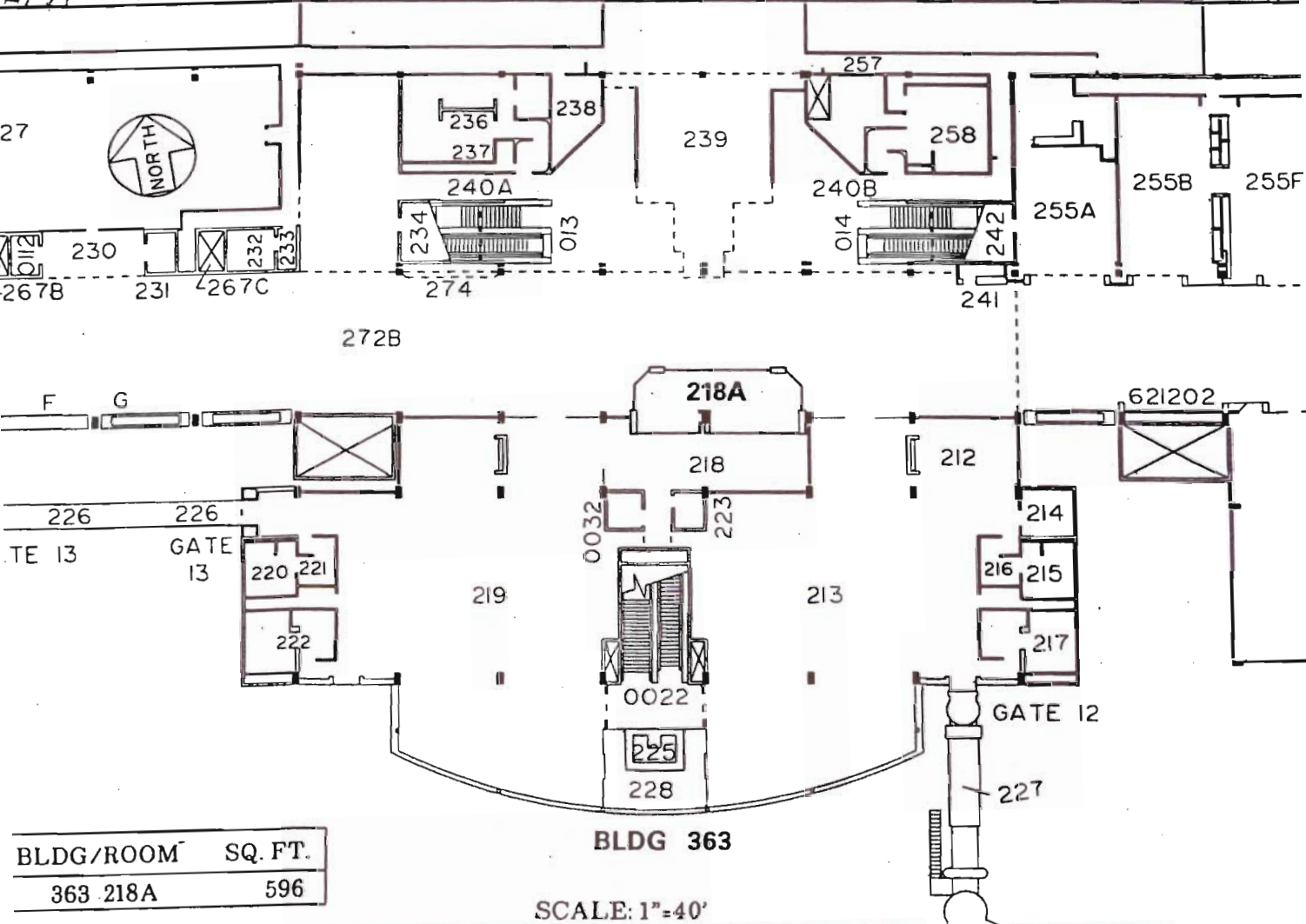
EXHIBIT: **P**

 <p>Airports Division</p>	<p>RETAIL CONCESSION</p>	<p>BLDG 360 EWA CONCOURSE SECOND LEVEL</p>	<p>360262 PLAT F</p>
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HONOLULU INTERNATIONAL AIRPORT

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\\360262 1





DATE : OCTOBER, 2000

EXHIBIT: Q

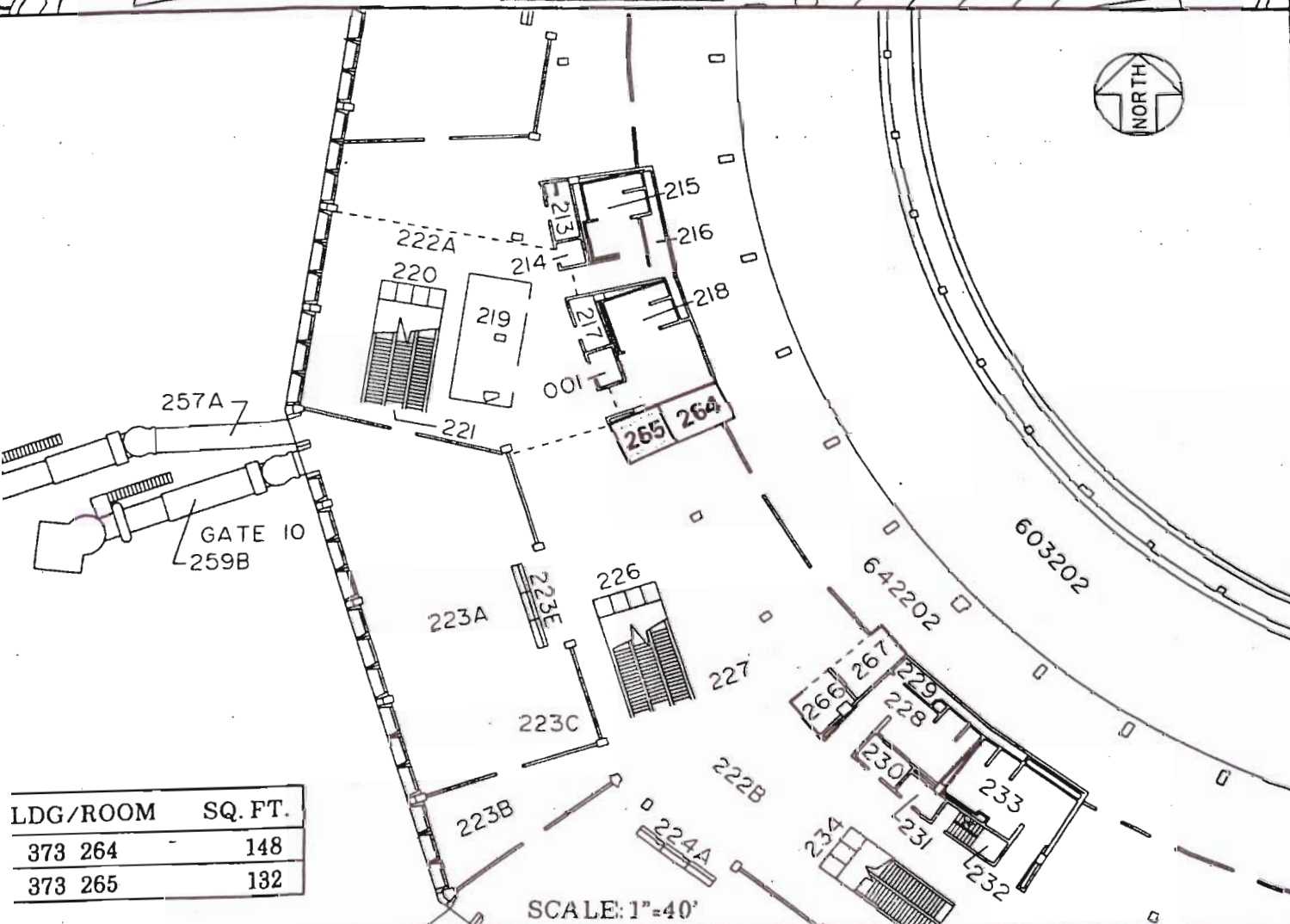
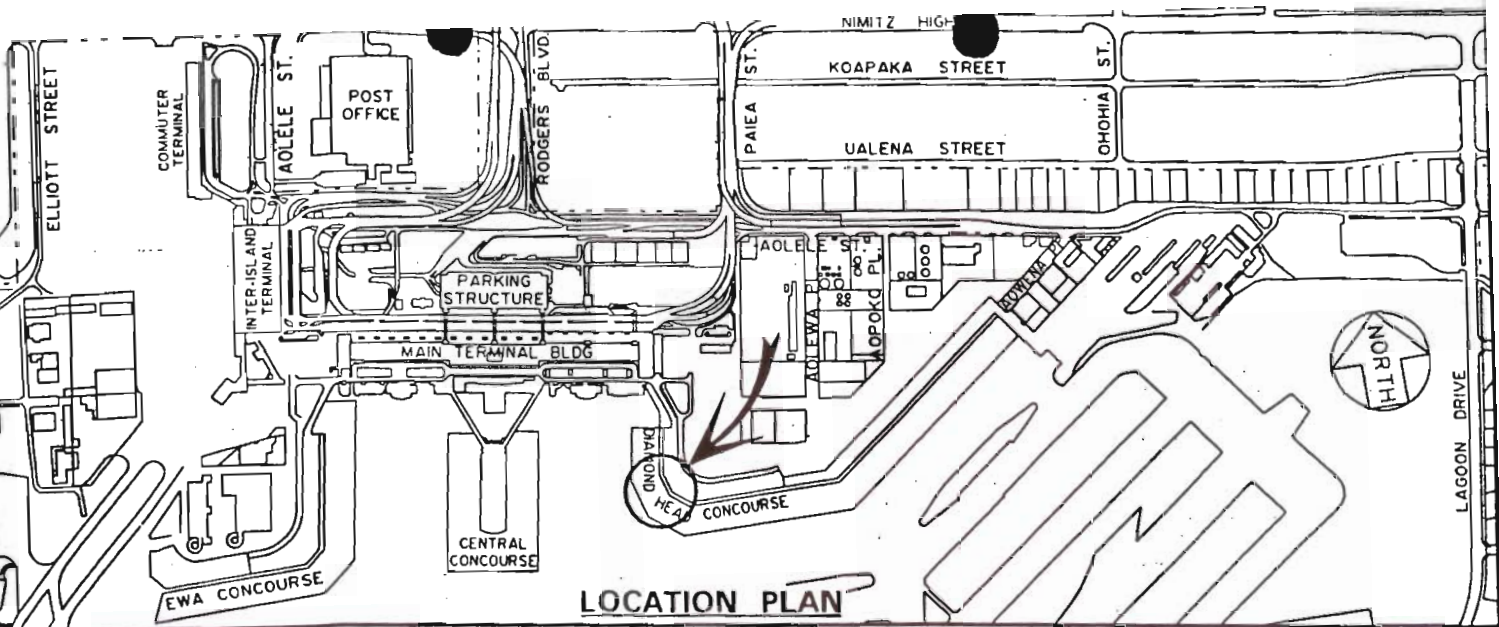
## RETAIL CONCESSION

BLDG 363  
D.H. CONNECTING LINK  
SECOND LEVEL

363218A  
PLAT M2

HONOLULU INTERNATIONAL AIRPORT

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DATE : OCTOBER, 2000

EXHIBIT: **R**

Airports Division

RETAIL  
CONCESSION

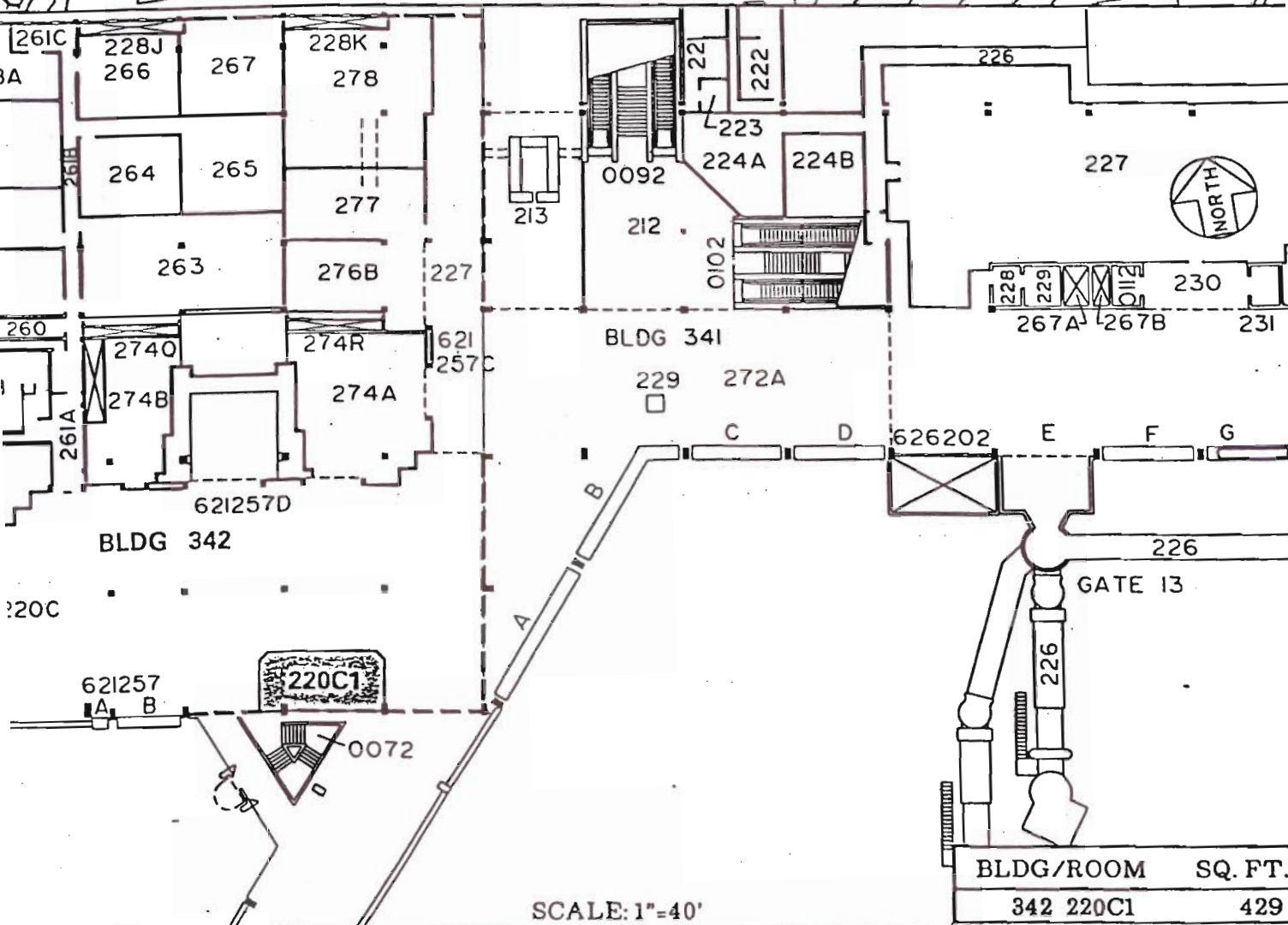
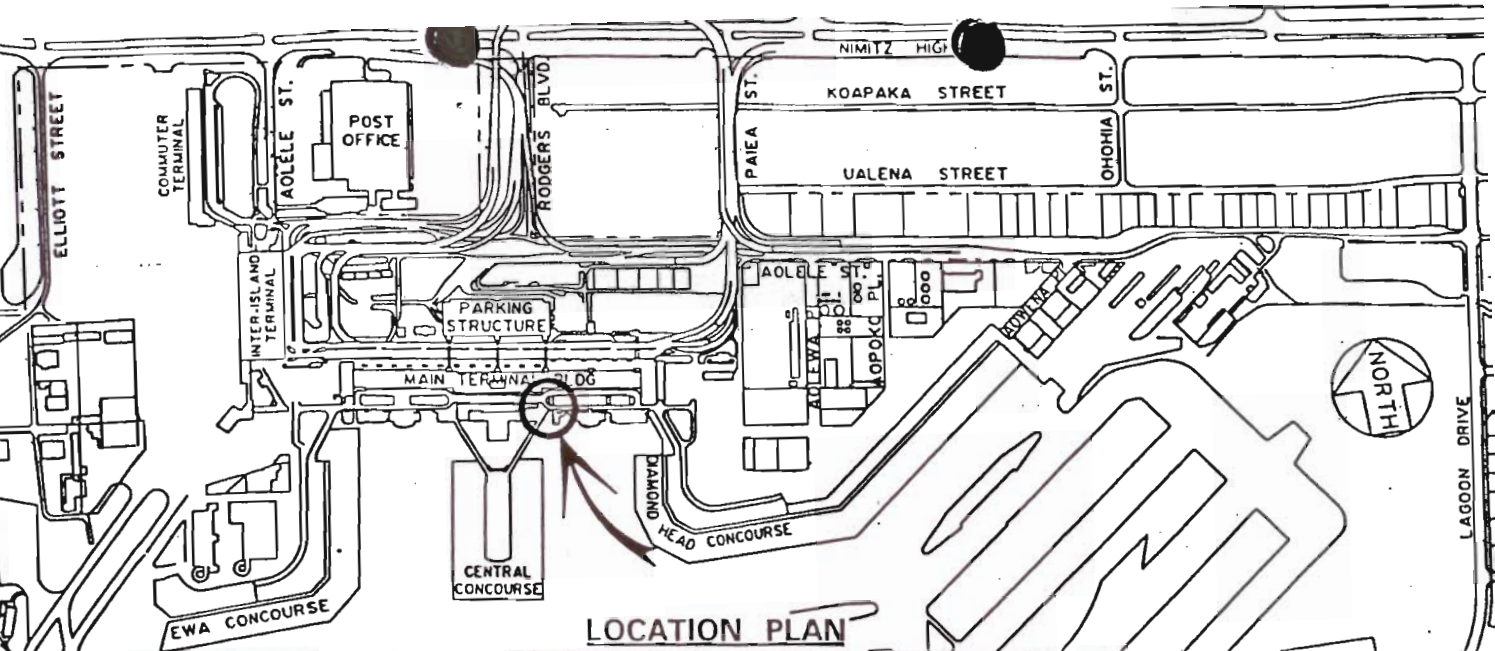
BLDG 373  
D.H. CONCOURSE  
SECOND LEVEL

373264  
373265  
PLAT M2

HONOLULU INTERNATIONAL AIRPORT

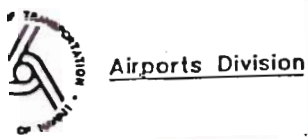
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DATE: OCTOBER 2000

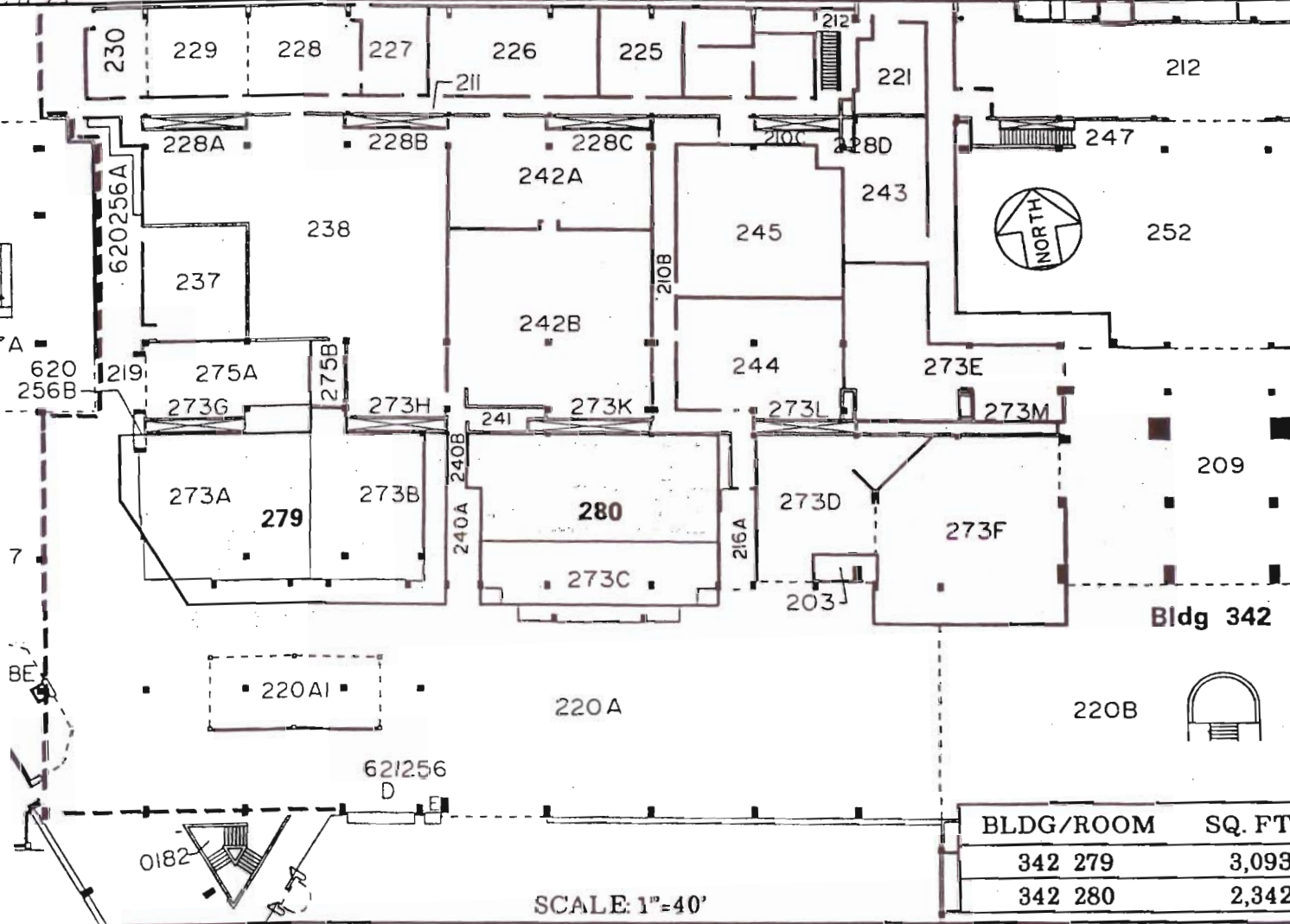
EXHIBIT: **T**



**RETAIL  
CONCESSION**

**BLDG 342  
CENTRAL WAITING LOBBY  
SECOND LEVEL**

**342220C1  
PLAT M**



DATE: OCTOBER, 2000

EXHIBIT: U

Airports Division

## RETAIL CONCESSION

BLDG 342  
CENTRAL WAITING LOBBY  
SECOND LEVEL

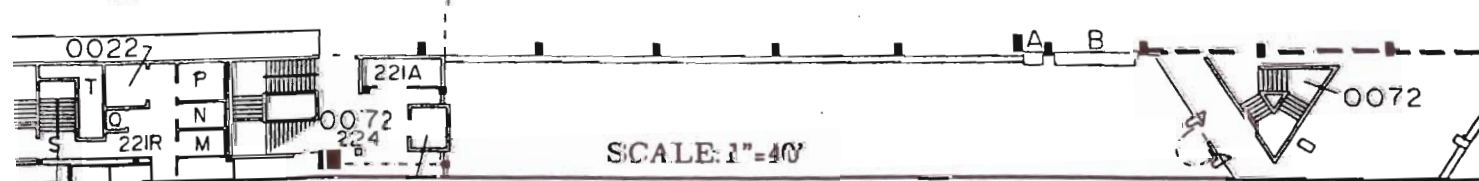
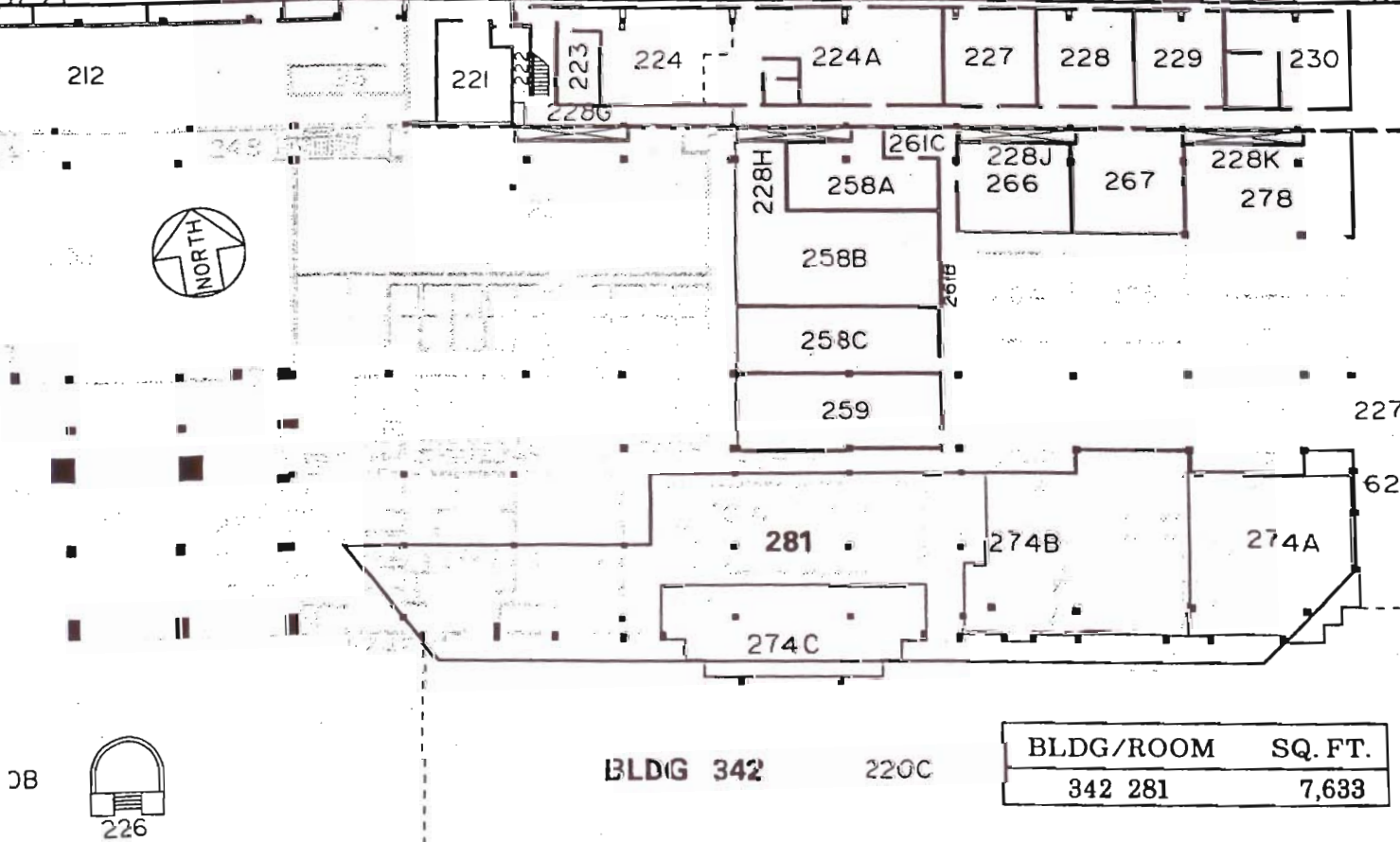
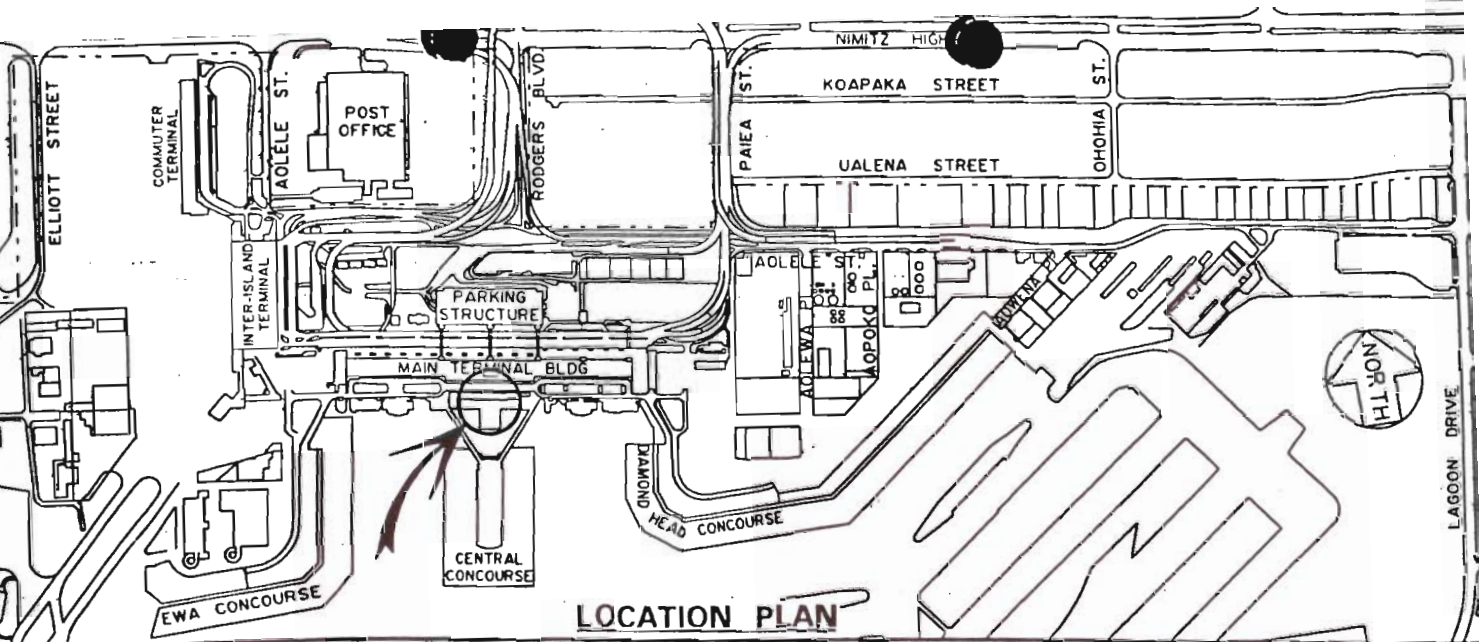
342279  
342280

PLAT A2

# HONOLULU INTERNATIONAL AIRPORT

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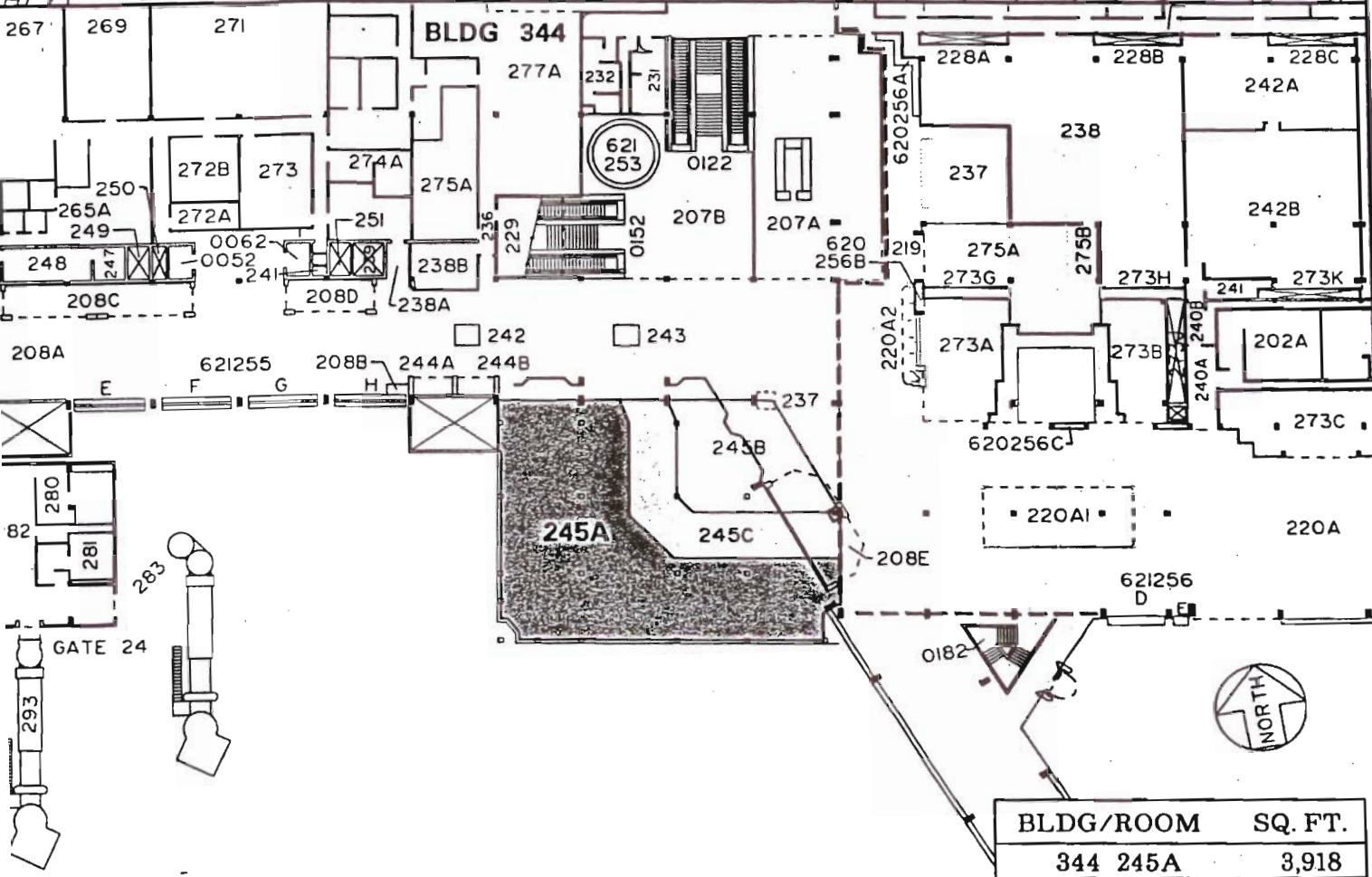
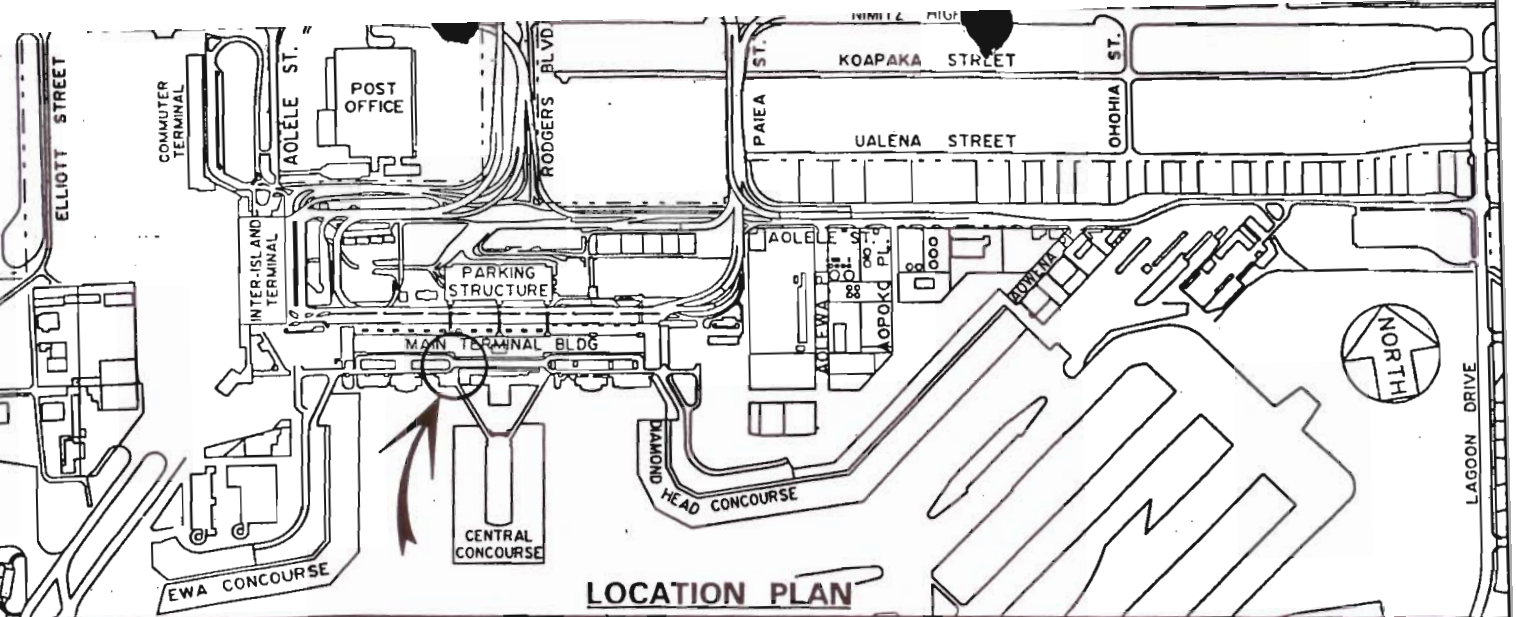


DATE: OCTOBER, 2000

EXHIBIT: V

<p>Airports Division</p>	<p>RETAIL CONCESSION</p>	<p>BLDG 342 CENTRAL WAITING LOBBY SECOND LEVEL</p>	<p>342281 PLAT A</p>
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STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

May 27, 2005

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Amendment of the Retail Concession Lease (DOT-A-01-0003)  
DFS Group, L.P. at Honolulu International Airport

OAHU

On January 14, 2005, under agenda Item M-1, the Land Board authorized the Department of Transportation (DOT) to amend the Retail Concession Lease (DOT-A-01-0003) at Honolulu International Airport. The request for the amendment was made due to unforeseen delays in the DOT's Overseas Terminal Improvement Project AO-1042-20. Further delays have convinced the DOT and the concessionaire, DFS Group, L.P., to seek to revise the amendment. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the revised amendment:

PURPOSE:

To amend the existing Retail Concession Lease at Honolulu International Airport, to:

- 1) allow the tenant to continue to pay the lower of the minimum annual guaranteed rent or 20 percent of gross receipts as specified in Article VI.F. of Lease No. DOT-A-01-0003 until 90 days after the Lessor makes the New Space available to the concessionaire;
- 2) extend the term of Lease No. DOT-A-01-0003 by approximately two years and two months to provide some time period for the Lessee to utilize the leasehold improvements the Lessee is required to install;
- 3) establish a separate minimum monthly guaranteed rent of \$704,833.33 for the extended term;
- 4) require the successor concessionaire to pay for any unamortized cost of improvements the existing concessionaire is required to construct as part of the DOT's improvement project in the Overseas Terminal; and

Approved by the Board  
at its meeting held on  
5/27/05

EXHIBIT B

- 5) include updated language for emergency rent relief and force majeure, which has been included in concession leases and agreements since Lease No. DOT-A-01-0003 was issued in 2001.

DOT's improvement project was originally intended to begin in 2002 but was delayed by the events of September 11, 2001. Once construction began, the timetable for the project continued to slip and it is now anticipated that the space for the retail concession will not be available for improvement by the concessionaire until mid 2005. The current term of Lease No. DOT-A-01-0003 ends in March 2006.

Act 201 of the 2004 Session Laws of Hawaii provided the DOT with the discretionary authority to amend certain leases, including DOT-A-01-0003, that were impacted by the events of September 11, 2001.

APPLICANT:

DFS Group, L.P. whose business address is P. O. Box 29500, Honolulu, Hawaii 96820.

LEGAL REFERENCE:

Chapter 102, and Section 261-7, Hawaii Revised Statutes, as amended.  
Act 201 Session Laws of Hawaii 2004.

LOCATION:

Honolulu International Airport.

PREMISES:

- A. EXISTING SPACE AT COMMENCEMENT OF THE CONCESSION LEASE ("Initial Allocation"):

HONOLULU INTERNATIONAL AIRPORT ("Airport")

Interisland Terminal Complex, Building 310

1. Space No. 203A, containing approximately 695 square feet as shown on the attached Exhibit B dated October 2000.
2. Space No. 203D, containing approximately 912 square feet as shown on the attached Exhibit B dated October 2000.



Diamond Head Extension, Building 341

1. Space No. 202C, containing approximately 178 square feet as shown on the attached Exhibit C dated October 2000.
2. Space No. 203B, containing approximately 203 square feet as shown on the attached Exhibit C dated October 2000.
3. Space No. 207D, containing approximately 161 square feet as shown on the attached Exhibit C dated October 2000.
4. Space No. 245, containing approximately 277 square feet as shown on the attached Exhibit E dated October 2000.
5. Space No. 255B, containing approximately 1,049 square feet as shown on the attached Exhibit D dated October 2000.
6. Space No. 255C, containing approximately 1,065 square feet as shown on the attached Exhibit D dated October 2000.
7. Space No. 255D, containing approximately 1,048 square feet as shown on the attached Exhibit D dated October 2000.
8. Space No. 255E, containing approximately 1,789 square feet as shown on the attached Exhibit E dated October 2000.
9. Space No. 274, containing approximately 86 square feet as shown on the attached Exhibit F dated October 2000.

Waiting Lobby Building, Building 342

1. Space No. 220A1, containing approximately 726 square feet as shown on the attached Exhibit G dated October 2000.
2. Space No. 220A2, containing approximately 126 square feet as shown on the attached Exhibit G dated October 2000.
3. Space No. 273A, containing approximately 1,560 square feet as shown on the attached Exhibit H dated October 2000.
4. Space No. 273B, containing approximately 1,046 square feet as shown on the attached Exhibit H dated October 2000.
5. Space No. 273C, containing approximately 978 square feet as shown on the attached Exhibit H dated October 2000.
6. Space No. 273F, containing approximately 1,927 square feet as shown on the attached Exhibit H dated October 2000.
7. Space No. 274A, containing approximately 1,223 square feet as shown on the attached Exhibit I dated October 2000.
8. Space No. 274B, containing approximately 1,722 square feet as shown on the attached Exhibit I dated October 2000.
9. Space No. 274C, containing approximately 1,002 square feet as shown on the attached Exhibit I dated October 2000.

Ewa Extension Domestic Building, Building 344

1. Space No. 208C, containing approximately 555 square feet as shown on the attached Exhibit J dated October 2000.
2. Space No. 208D, containing approximately 258 square feet as shown on the attached Exhibit J dated October 2000.
3. Space No. 208E, containing approximately 514 square feet as shown on the attached Exhibit J dated October 2000.
4. Space No. 240C, containing approximately 169 square feet as shown on the attached Exhibit K dated October 2000.
5. Space No. 240D, containing approximately 178 square feet as shown on the attached Exhibit K dated October 2000.
6. Space No. 278A, containing approximately 728 square feet as shown on the attached Exhibit L dated October 2000.
7. Space No. 295A, containing approximately 768 square feet as shown on the attached Exhibit L dated October 2000.
8. Space No. 295B, containing approximately 450 square feet as shown on the attached Exhibit L dated October 2000.

International Arrivals Building, Building 346

Space No. 269A, containing approximately 450 square feet as shown on the attached Exhibit M dated October 2000.

Central Concourse, Building 350

1. Space No. 217, containing approximately 544 square feet as shown on the attached Exhibit N dated October 2000.
2. Space No. 218A, containing approximately 919 square feet as shown on the attached Exhibit N dated October 2000.
3. Space No. 247, containing approximately 350 square feet as shown on the attached Exhibit N dated October 2000.
4. Space No. 248, containing approximately 539 square feet as shown on the attached Exhibit N dated October 2000.
5. Space No. 249A, containing approximately 554 square feet as shown on the attached Exhibit N dated October 2000.

Ewa Concourse, Building 360

1. Space No. 207C, containing approximately 412 square feet as shown on the attached Exhibit O dated October 2000.

2. Space No. 262, containing approximately 800 square feet as shown on the attached Exhibit P dated October 2000.
3. Space No. 261, containing approximately 355 square feet as shown on the attached Exhibit P dated October 2000.

Diamond Head Connecting Link, Building 363

Space No. 218A, containing approximately 596 square feet as shown on the attached Exhibit Q dated October 2000.

Diamond Head Concourse, Building 373

1. Space No. 264, containing approximately 148 square feet as shown on the attached Exhibit R dated October 2000.
2. Space No. 265, containing approximately 132 square feet as shown on the attached Exhibit R dated October 2000.

B. NEW SPACE

1. Part of Project. The Lessee acknowledges and understands that the Lessor is constructing the Overseas Terminal Improvements Project, Honolulu International Airport, Project No. AO1042-20 (hereafter the "Project") and that the Project will require the Lessee during the term of this Concession Lease to (a) modify and adjust its Concession operation, (b) vacate certain portions of the Initial Allocation to accommodate the Project and (c) move from the Initial Space (as defined herein to include the portion of the Initial Allocation situated within the Project area) to the New Space (as defined herein). Portions of the Premises comprising the Initial Allocation will be reduced in size, enlarged, reconfigured, modified, withdrawn, closed or otherwise affected in some similar manner. The Lessee acknowledges that other spaces will be made available as part of the Project to the Lessee.
2. No delay to Project. Upon receiving written notice from the Lessor, the Lessee shall expeditiously undertake and properly complete the following as appropriate, at the Lessee's sole cost and expense, in order that the completion of the Project will not be delayed: (a) prepare for occupancy all of the Initial Allocation made available by the Lessor, (b) vacate such portion of the Initial Allocation as directed by the Lessor, (c) adjust and modify the Concession operation on such portions of the Initial Allocation as directed by the Lessor, (d) prepare for occupancy, finish and build out all of the New Space made available by the Lessor and (e) move from the Initial Space to the New Space.



3. Initial Space. The Initial Space shall be comprised of the following:

- a. Waiting Lobby, Building 342, Space No. 273A (Galleria).
- b. Waiting Lobby, Building 342, Space No. 273B (Galleria).
- c. Waiting Lobby, Building 342, Space No. 274A (Gifts).
- d. Waiting Lobby, Building 342, Space No. 274B (Packaged Foods).
- e. Waiting Lobby, Building 342, Space No. 220A2 (Hawaiian Isle Memories).
- f. Waiting Lobby, Building 342, Space No. 273C (Hawaiian Treasures).
- g. Waiting Lobby, Building 342, Space No. 274C (Hawaiian Treasures).
- h. Waiting Lobby, Building 342, Space No. 273F (Cosmetics - Sundries).
- i. Waiting Lobby, Building 342, Space No. 220A1 (Crazy Shirts - Done).
- j. Ewa Extension Domestic, Building 344, Space No. 208E (Flight Time).

Demolition. Lessee shall be required to vacate the following portions of the Initial Space, upon written notice from the Lessor, which portions shall thereafter be deleted from the Premises under this Concession Lease and the improvements thereon demolished:

- (i) Waiting Lobby, Building 342, Space No. 273F (Cosmetics - Sundries).
- (ii) Waiting Lobby, Building 342, Space No. 220A1 (Crazy Shirts - Done).
- (iii) Ewa Extension Domestic, Building 344, Space No. 208E (Flight Time).

4. Definition of New Space. The following are the additional spaces that the Lessor will make available to the Lessee as part of the Project:

- a. Waiting Lobby, Building 342, portion of Space No. 279, containing approximately 3,093 square feet.
- b. Waiting Lobby, Building 342, Space No. 280, containing approximately 2,342 square feet.
- c. Waiting Lobby, Building 342, Space No. 281, containing approximately 7,633 square feet.
- d. Ewa Extension Domestic, Building 344, Space No. 245A, containing approximately 3,918 square feet.
- e. Diamond Head Extension, Building 341, Space No. 275, containing approximately 773 square feet.

ZONING:

Honolulu – Land Use: Urban/County: Industrial (I-2)

TAX MAP KEY:

1<sup>st</sup> Division – 1-1-03:Portion of 1 (Honolulu)

LAND STATUS:

Honolulu - Section 5(a) Hawaii Admission Act – Non-Ceded.  
DHHL 30% entitlement lands Yes\_\_ No X

TERM:

The term of the existing lease, which expires on March 14, 2006, will be extended until May 31, 2008. The rent will continue to be the lower of the minimum annual guaranteed rent or 20 percent of gross receipts until 90 days after the Lessor makes the New Space available to the concessionaire. At such time, the rent will revert to the higher of the minimum annual guaranteed rent or 20 percent of gross receipts. From March 15, 2006 to May 31, 2008, the monthly rent will be the greater of \$708,433.33 or 20% of the monthly gross receipts whichever is greater.

IMPROVEMENTS:

Applicant will construct and install, at its own costs, improvements to the New Space.

RENTAL:

No additional square footage floor rent will be charged. Currently, the concessionaire pays the lower of the minimum annual guaranteed rent or 20 percent of gross receipts. Ninety days after the new space is made available to the concessionaire the rent will change to the greater of the minimum annual guaranteed rent or 20 percent of gross receipts.

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawaii Revised Statutes, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawaii, Department of Transportation, dated November 14, 1990, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or

maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

REMARKS:

The DOT and the Applicant entered into that certain concession lease (Lease No. DOT-A-01-0003) dated February 8, 2001, for the Retail Concession at Honolulu International Airport (Airport). Included in the Lease is a requirement for the Concessionaire to construct additional retail outlets once the space for the retail outlets is made available through the Lessor's construction project.

RECOMMENDATION:

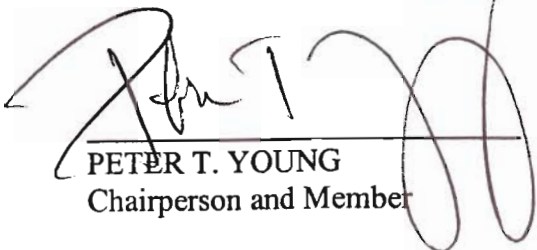
That the Board amend its prior action of January 14, 2005, under agenda Item M-1, approving Amendment No. 1 to Concession Lease (DOT-A-01-0003) and to authorize the DOT to modify the terms of the amendment to allow the DOT to continue to permit the concessionaire to pay the lower of the minimum annual guaranteed rent or 20 percent of gross receipts until 90 days after the new space is made available to the concessionaire, at which time the rent will return to the greater of the minimum guaranteed rent or 20 percent of gross receipts; extend the term of the lease by approximately two years and two months to provide some period of time for the Lessee to utilize the leasehold improvements the Lessee is required to install; establish a monthly minimum guaranteed rent for the period from March 15, 2006 to May 31, 2008 of \$708,433.33; to require the successor concessionaire to reimburse the current concessionaire for the unamortized cost of the improvements at the end of the current Lease; and update the language for emergency rent relief and force majeure to match concession leases and agreements issued subsequent to DOT-A-01-0003.

Respectfully submitted,



for RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:



PETER T. YOUNG  
Chairperson and Member